

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address  David B. Zolkin (SBN 155410) Derrick Talerico (SBN 223763) ZOLKIN TALERICO LLP 12121 Wilshire Blvd., Suite 1120 Los Angeles, CA 90025 Telephone: 424-500-8551 Email: dzolkin@ztlegal.com dtalerico@ztlegal.com  <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Painter Santa, LLC	FOR COURT USE ONLY
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<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION</b>	
In re:  PAINTER SANTA, LLC, a California limited liability company   Debtor(s).	CASE NO.: 2:19-bk-24103-WB CHAPTER: 11   <b>NOTICE OF SALE OF ESTATE PROPERTY</b>

<b>Sale Date:</b> 02/14/2019	<b>Time:</b> 10:00 am
<b>Location:</b> Zolkin Talerico LLP, 12121 Wilshire Blvd., Suite 1120, Los Angeles, CA 90025	

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 02/06/2020 on or before 12:00 noon

**Description of property to be sold:**

40,787 square foot Class A industrial building situated on a 74,862 square foot lot located at 10329 Painter Avenue, Santa Fe Springs, California.

**Terms and conditions of sale:**

See attached Asset Purchase Agreement.

**Proposed sale price:** \$ 8,500,000.00

**Overbid procedure (if any):**

Minimum overbid is \$8,850,000 cash and good faith cash or cash equivalent deposit in the amount of \$885,000. See attached Bidding Procedures for full description and details.

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

February 20, 2020 at 10:00 a.m. before the Honorable Julia W. Brand, United States Bankruptcy Judge, in Courtroom 1375 of the Edward R. Roybal Federal Buidling and Courthouse, 255 East Temple Street, Los Angeles, California 90012.

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Ryan Campbell  
NAI Capital  
21660 E Copley Dr., Suite 320  
Diamond Bar, CA 91765  
Telephone: (909) 348-0606 x 6216  
Facsimile: (909) 325-8203  
Email: rcampbell@naicapital.com

R. Scott Martin  
NAI Capital  
225 S Lake Ave., Suite 1170  
Pasadena, CA 91101  
Telephone: (626) 564-4800 x 1504  
Facsimile: (626) 564-4846  
Email: smartin@naicapital.com

Date: 12/23/2019

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
12121 Wilshire Blvd., Suite 1120, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 12/23/2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- US Trustee's Office: [ustpregion16.la.ecf@usdoj.gov](mailto:ustpregion16.la.ecf@usdoj.gov); Dare Law: [dare.law@usdoj.gov](mailto:dare.law@usdoj.gov)
- Proposed Attorneys for Debtor: David B Zolkin: [dzolkin@ztlegal.com](mailto:dzolkin@ztlegal.com); maraki@ztlegal.com; sfritz@ztlegal.com
- Attorneys for Creditor Goodness Corporation of California: Stella A Havkin: [stella@havkinandshrago.com](mailto:stella@havkinandshrago.com); havkinlaw@earthlin.net; [r49306@notify.bestcase.com](mailto:r49306@notify.bestcase.com)
- Attorneys for Creditor Robhana, Inc.: Randy P. Orlik: [rorlik@coxcastle.com](mailto:rorlik@coxcastle.com)
- Attorneys for Interested Party B.H. Management, Inc.: Sharon Z. Weiss: [sharon.weiss@bclplaw.com](mailto:sharon.weiss@bclplaw.com); [raul.morales@bclplaw.com](mailto:raul.morales@bclplaw.com)

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On *(date)* \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 12/23/2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Julia W. Brand (via Priority Mail)  
United States Bankruptcy Court  
255 East Temple St., Suite 1382  
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/23/2019      Martha E. Araki  
*Date*                      *Printed Name*

/s/ Martha E. Araki  
*Signature*

**PAINTER SANTA, LLC**  
**ASSET PURCHASE AGREEMENT**

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PURCHASE AND SALE AGREEMENT

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Seller: PAINTER SANTA, LLC,  
a California limited liability company

Buyer: B.H. MANAGEMENT INC.,  
a California corporation, or its nominee

Property: 10329 Painter Avenue, Santa Fe Springs, California 90670

Purchase  
Price: \$8,500,000.00

Effective  
Date: Date of entry of Bidding Procedures Order

**PURCHASE AGREEMENT**  
**Summary Sheet**

Buyer: B.H. MANAGEMENT INC.,  
a California corporation, or its nominee

Seller: Painter Santa, LLC, a California limited liability company

Property: 10329 Painter Avenue, Santa Fe Springs, California 90670

Purchase Price: \$8,500,000.00 in cash

Notice Address of Seller: PAINTER SANTA, LLC  
Painter Santa, LLC  
2041 Fletcher Avenue  
South Pasadena, CA 91030  
Attention: Egan Badart & Aaron Badart  
[aaronbadart@hotmail.com](mailto:aaronbadart@hotmail.com)  
[egan@ematcapital.com](mailto:egan@ematcapital.com)

with a copy to: Zolkin Talerico LLP  
12121 Wilshire Blvd., Suite 1120  
Los Angeles, California 90025  
Attention: David B. Zolkin, Esq.  
[dzolkin@ztlegal.com](mailto:dzolkin@ztlegal.com)

Notice Address of Buyer: B.H. Management Inc.  
11111 Santa Monica Blvd., Suite 600  
Los Angeles, California 90025  
Attention: Steve Gozni and Andrew Van Tuyle

with a copy to: Bryan Cave Leighton Paisner LLP  
120 Broadway, Suite 300,  
Santa Monica, CA 90401-2386  
Attention: Sharon Z. Weiss  
[sharon.weiss@bclplaw.com](mailto:sharon.weiss@bclplaw.com)

## **PURCHASE AND SALE AGREEMENT**

**THIS PURCHASE AND SALE AGREEMENT** (this “**Agreement**”) is entered into by and between Buyer and Seller as of December 16, 2019.

### **RECITALS**

A. Seller is the owner of that certain real property (“**Property**”) consisting of that certain 40,787 square foot industrial building that is situated on approximately 74,923 square feet of land, located in the County of Los Angeles, commonly known as 10329 Painter Ave., Santa Fe Springs, CA 90670, legally described on Exhibit A attached hereto (APN: 8011-005-033) and as further described below.

B. Seller is the debtor in chapter 11 Case No. 2:19-bk-24103 (the “**Case**”) pending in the United States Bankruptcy Court for the Central District of California (the “**Bankruptcy Court**”).

C. Seller desires to sell to Buyer the Property, and Buyer desires to purchase from Seller the Property, in each case, upon the terms and conditions set forth in this Agreement.

D. On the terms and subject to the conditions set forth herein, Seller intends to request that the Bankruptcy Court authorize and approve the transactions contemplated by this Agreement pursuant to Sections 105 and 363 of the Bankruptcy Code.

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and undertakings of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

### **ARTICLE 1** **DEFINITIONS; RULES OF CONSTRUCTION**

1.1 **Definitions.** Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth on the Summary Sheet. The following terms shall have the indicated meanings:

“Actual Knowledge” shall have the meaning set forth in Section 3.11.

“Affiliate” shall mean, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person.

“Agreement” shall have the meaning set forth in the Introductory Paragraph of this Agreement.

“Approval Order” shall have the meaning set forth in Section 3.12(b) of this Agreement.

“Appurtenances” shall have the meaning set forth in Section 2.1(a) of this

Agreement.

“Authorizations” shall mean all licenses, permits and approvals required by any governmental or quasi-governmental agency, body or officer for the ownership, operation and use of the Property or any part thereof with the uses and operations existing on the Closing Date.

“Bankruptcy Court” shall have the meaning set forth in Recital B of this Agreement.

“Bidding Procedures” shall have the meaning set forth in Section 2.1(c) of this Agreement.

“Bidding Procedures Order” shall have the meaning set forth in Section 3.12(a) of this Agreement.

“Breakup Fee” shall have the meaning set forth in Section 3.12(c) of this Agreement.

“Buyer” shall have the meaning set forth in the Summary Sheet of this Agreement.

“Buyer Parties” shall mean Buyer and the officers, directors, equity holders, Affiliates, beneficiaries, members, partners, agents, consultants, representatives, lenders, employees and attorneys of Buyer and the respective successors and assigns of such parties.

“Buyer Released Parties” shall have the meaning set forth in Section 4.4(e) of this Agreement.

“Buyer’s Closing Conditions” shall have the meaning set forth in Section 5.1 of this Agreement.

“Buyer’s Deliveries” shall have the meaning set forth in Section 6.3 of this Agreement.

“Case” shall have the meaning set forth in Recital B of this Agreement.

“Closing” shall mean the time the Deed is executed and delivered and recorded and each of the other deliveries to be made by Seller (as provided in Section 6.2 of this Agreement) and Buyer (as provided in Section 6.3 of this Agreement) are made and each of the Buyer’s Closing Conditions and Seller’s Closing Conditions in Sections 5.1 and 5.2 of this Agreement, respectively, has been satisfied or waived.

“Closing Date” shall mean the date on which the Closing occurs.

“Closing Statement” shall mean the closing settlement statement executed by Seller and Buyer no later than two (2) business days prior to the Closing, which



statement shall set forth (i) the allocation of Closing costs pursuant to Section 6.4 of this Agreement, and (ii) the prorations and other adjustments pursuant to Section 6.5 of this Agreement.

“Deed” shall mean a grant deed substantially in the form of Exhibit C attached hereto.

“Deposit” shall have the meaning set forth in Section 2.1(d) of this Agreement.

“Effective Date” shall mean the date that the Bidding Procedures Order has been entered by the Bankruptcy Court.

“Escrow Agent” shall mean Commerce Escrow Company, Attn: Tina DeBow, Senior Escrow Officer, 1055 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90017, email: tdebow@comescrow.com.

“Final Order” means an order entered by a court of competent jurisdiction for which the time for appeal has expired and for which a notice of appeal has not been filed timely or, if timely filed, no stay has been issued.

“Goodness Corporation” shall mean Goodness Corporation of California, a California Corporation.

“Goodness Lease” shall mean that certain lease for the Property between Seller, as landlord, and Goodness Corporation, as tenant, dated September 1, 2018.

“Goodness Parties” shall mean, collectively, the Goodness Corporation, Leelin Enterprises, Inc., Menard Leelin and Mendrei Leelin and their respective successors and assigns.

“Goodness Litigation” means the lawsuit commenced in the Superior Court of the State of California, County of Los Angeles and entitled Goodness Corporation of California, et al. v. Painter Santa, LLC, et al., Case No. 19STCV27239.

“Goodness Personal Property” means personal property located at, but not affixed to, the Property, that is owned by one or more of the Goodness Parties and in which Seller has no interest.

“Improvements” shall have the meaning set forth in Section 2.1(a).1 of this Agreement.

“Parties” means the parties to this Agreement.

“Person” means and includes natural persons, corporations, limited partnerships, limited liability companies, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts, Indian tribes or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof.

“Plan” shall mean any plan of reorganization or liquidation filed by Seller in the Case that is not inconsistent with the terms hereof.

“Property” shall have the meaning set forth in Recital A of this Agreement.

“Property Information” shall have the meaning set forth in Section 4.4(c) of this Agreement.

“Purchase Price” shall mean \$8,500,000.00.

“Sale Motion” shall have the meaning set forth in Section 3.12 of this Agreement.

“Seller” shall have the meaning set forth in the Summary Sheet of this Agreement.

“Seller Parties” shall mean Seller and the officers, directors, equity holders, Affiliates, beneficiaries, members, partners, agents, consultants, representatives, lenders, employees and attorneys of Seller and the respective successors and assigns of such parties.

“Seller Released Parties” shall have the meaning set forth in Section 4.4(d) of this Agreement.

“Seller’s Closing Conditions” shall have the meaning set forth in Section 5.2 of this Agreement.

“Seller’s Deliveries” shall have the meaning set forth in Section 6.2 of this Agreement.

“Summary Sheet” shall mean the Summary Sheet attached to this Agreement and incorporated herein by reference.

“Survey” shall mean the survey of the Real Property.

“Taking” shall have the meaning set forth in Section 7.1 of this Agreement.

“Title Company” shall mean Chicago Title Insurance Company, Los Angeles, California.

“Title Policy” shall have the meaning set forth in Section 5.1(e) of this Agreement.

“Title Report” shall mean the title report or commitments for the Property together with the underlying documents referenced therein.

“To Seller’s Actual Knowledge” shall have the meaning set forth in Section 3.11 of this Agreement.

“Transaction Documents” shall have the meaning set forth in Section 3.12(b) of this Agreement.

1.2 **Rules of Construction.** The following rules shall apply to the construction and interpretation of this Agreement:

(a) **Gender.** Singular words shall connote the plural number as well as the singular and vice versa, and the masculine shall include the feminine and the neuter.

(b) **Section References.** All references herein to particular articles, sections, subsections, subparagraphs, clauses, exhibits or schedules are references to articles, sections, subsections, subparagraphs, clauses, exhibits or schedules of this Agreement.

(c) **Headings.** The table of contents and headings contained herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

(d) **Construction.** Each of the Parties hereto and its counsel have reviewed and revised (or requested revisions of) this Agreement and have participated in the preparation of this Agreement and, therefore, any usual rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Agreement or any portion of this Agreement, including, without limitation, any exhibits or schedules to this Agreement.

## **ARTICLE 2** **PURCHASE AND SALE; PAYMENT OF PURCHASE PRICE**

2.1 **Purchase and Sale.** Seller agrees to sell, and Buyer agrees to purchase the Property for the Purchase Price, subject to the terms and provisions of this Agreement. The Purchase Price shall be paid by Buyer to Seller in accordance with the terms and provisions (and as otherwise provided) in this Section 2.1 below.

(a) **Purchased Assets:** Seller agrees to sell, convey, transfer and assign, in fee simple, free and clear of all liens, claims, encumbrances and interest pursuant to 11 U.S.C. § 363(f) and a finding of good faith under 11 U.S.C. § 363(m), and Buyer agrees to purchase and pay for the following, all of which is collectively referred to in this Agreement as “Property”:

1. **Land.** The tract of land described on Exhibit A attached hereto (the “**Land**”);

2. **Appurtenances.** All of Seller’s rights and appurtenances to the Land, including, without limitation, any right, title, and interest of Seller in and to any and all easements, and adjacent streets, roads, alleys, or rights-of-way to the Property, if any, including, without limitation, all of Seller’s right, title and interest, if any, in and to all riparian mineral and water rights and all easements, roads, streets, avenues, rights-of-way, reservations and other appurtenances used or connected with the beneficial use

and enjoyment of the Property, if any (all of which are collectively referred to as the “**Appurtenances**”);

3. Improvements. Any and all buildings, structures, fixtures, or other improvements located on the Land including but not limited to those items which, pursuant to applicable law, are a fixture or are otherwise part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment (“**HVAC**”); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings (the “**Improvements**”);

4. Personal Property. All equipment, appliances, furniture, furnishings, and other personal property owned by Seller and attached to, appurtenant to, or located in, on, or used in connection with the Land and Improvements (the “**Personal Property**”); but excluding the Goodness Personal Property;

5. Warranties. Seller’s right, title, and interest in all assignable warranties, guaranties, and bonds relating to the Land, Improvements or Personal Property (the “**Warranties**”), if any;

6. Plans and Studies. Seller’s right, title and interest in and to all site plans, CAD files, surveys, soil and substrata studies, architectural drawings, plans and specifications, engineering plans and studies, floor plans, landscape plans and other plans or studies of any kind that relate to the Land, the Improvements or the Personal Property that are in Seller’s possession (the “Plans”), if any;

7. Permits. Seller’s right, title and interest in and to all assignable licenses and permits, utility commitments and other development rights relating to the Land, Improvements or Personal Property (the “Permits”), if any.

8. Claims and Rights of Interest. All rights, claims, causes of action and credits owned by Seller to the extent related to the Property, including any such item arising under any guarantee, warranty, indemnity, right of recovery, set off or similar right in favor of such Seller in respect of the Property, but excluding any of the foregoing to the extent related to the Goodness Litigation as it may progress going forward; and

9. Pre-Paid Expenses. All pre-paid expenses associated with the Property.

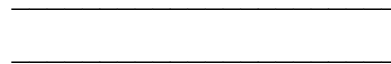
(b) Excluded Liabilities: Notwithstanding anything to the contrary set forth herein, the Parties expressly acknowledge and agree that Buyer will not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any liabilities of the Seller, whether existing on the Closing Date or arising thereafter, including on the basis of any law imposing successor liability.

(c) The purchase by and sale to Buyer are to be the subject to competitive overbidding at auction consistent with the bidding procedures set forth in Exhibit B attached hereto (the “**Bidding Procedures**”).

(d) **Deposit.** Within two (2) business days after each of Buyer and Seller execute this Agreement, Buyer shall have delivered a deposit in cash in the amount of Eight Hundred Sixty Thousand Dollars (US \$850,000) (including any interest that may thereafter accrue thereon, the “**Deposit**”) by wire transfer of immediately available funds into escrow with the Escrow Agent by instructions provided by the Seller. Buyer’s failure to timely deliver such Deposit will be deemed to constitute a material breach and default by Buyer under this Agreement. Any refund of the Deposit to Buyer will be made solely in accordance with the Bidding Procedures and this Agreement. If, as determined by an order of the Bankruptcy Court, a Closing hereunder is not consummated as a result of, or due to, (i) Buyer’s failure to satisfy the Seller’s Closing Conditions that by their terms are to be satisfied by Buyer or its Affiliate or (ii) a breach or default by Buyer or its Affiliate under this Agreement after the expiration of any applicable notice and cure periods, then the Deposit will be transferred and forfeit to Seller as liquidated damages hereunder, and Buyer (on behalf of itself and its Affiliates, as applicable) hereby covenants and agrees to execute, acknowledge and deliver to Seller any and all instruments and documents requested by Seller in order to legally transfer such Deposit to Seller and/or evidence such transfer. ANY DEPOSIT PAID TO OR RETAINED BY SELLER AS LIQUIDATED DAMAGES UNDER THIS AGREEMENT SHALL BE SELLER’S SOLE REMEDY IF BUYER FAILS TO CLOSE THE PURCHASE OF THE PROPERTY. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER’S ACTUAL DAMAGES IN SUCH EVENT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE LIQUIDATED DAMAGES (*IE.*, THE VALUE OF THE DEPOSIT) STATED ABOVE REPRESENTS THE PARTIES’ REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THUS, SELLER SHALL ACCEPT AND RETAIN THE AMOUNTS DESCRIBED HEREIN AS LIQUIDATED DAMAGES BUT NOT AS A PENALTY OR FORFEITURE.



Seller’s Initials



Buyer’s Initials

(e) **Payment of Balance of Purchase Price.** If Buyer is the Successful Bidder, prior to Closing, Buyer shall pay the unpaid balance of the Purchase Price by wire transfer into escrow with Escrow Agent of immediately available funds the Purchase Price, net of (i) all prorations and other adjustments, (ii) the Deposit (delivered by Escrow Agent to Seller at the Closing), and (iii) any costs and expenses for which Buyer is required to reimburse Seller pursuant to the terms of this Agreement (the “**Balance of the Purchase Price**”).

(c) The purchase by and sale to Buyer are to be the subject to competitive overbidding at auction consistent with the bidding procedures set forth in Exhibit B attached hereto (the “**Bidding Procedures**”).

(d) **Deposit.** Within two (2) business days after each of Buyer and Seller execute this Agreement, Buyer shall have delivered a deposit in cash in the amount of Eight Hundred Sixty Thousand Dollars (US \$850,000) (including any interest that may thereafter accrue thereon, the “**Deposit**”) by wire transfer of immediately available funds into escrow with the Escrow Agent by instructions provided by the Seller. Buyer’s failure to timely deliver such Deposit will be deemed to constitute a material breach and default by Buyer under this Agreement. Any refund of the Deposit to Buyer will be made solely in accordance with the Bidding Procedures and this Agreement. If, as determined by an order of the Bankruptcy Court, a Closing hereunder is not consummated as a result of, or due to, (i) Buyer’s failure to satisfy the Seller’s Closing Conditions that by their terms are to be satisfied by Buyer or its Affiliate or (ii) a breach or default by Buyer or its Affiliate under this Agreement after the expiration of any applicable notice and cure periods, then the Deposit will be transferred and forfeit to Seller as liquidated damages hereunder, and Buyer (on behalf of itself and its Affiliates, as applicable) hereby covenants and agrees to execute, acknowledge and deliver to Seller any and all instruments and documents requested by Seller in order to legally transfer such Deposit to Seller and/or evidence such transfer. ANY DEPOSIT PAID TO OR RETAINED BY SELLER AS LIQUIDATED DAMAGES UNDER THIS AGREEMENT SHALL BE SELLER’S SOLE REMEDY IF BUYER FAILS TO CLOSE THE PURCHASE OF THE PROPERTY. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER’S ACTUAL DAMAGES IN SUCH EVENT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE LIQUIDATED DAMAGES (IE., THE VALUE OF THE DEPOSIT) STATED ABOVE REPRESENTS THE PARTIES’ REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THUS, SELLER SHALL ACCEPT AND RETAIN THE AMOUNTS DESCRIBED HEREIN AS LIQUIDATED DAMAGES BUT NOT AS A PENALTY OR FORFEITURE.

\_\_\_\_\_  
\_\_\_\_\_

Seller’s Initials

  
\_\_\_\_\_

Buyer’s Initials

(e) **Payment of Balance of Purchase Price.** If Buyer is the Successful Bidder, prior to Closing, Buyer shall pay the unpaid balance of the Purchase Price by wire transfer into escrow with Escrow Agent of immediately available funds the Purchase Price, net of (i) all prorations and other adjustments, (ii) the Deposit (delivered by Escrow Agent to Seller at the Closing), and (iii) any costs and expenses for which Buyer is required to reimburse Seller pursuant to the terms of this Agreement (the “**Balance of the Purchase Price**”).

(f) **Return of Deposit.** If, as determined by an order of the Bankruptcy Court, a Closing hereunder is not consummated as a result of, or due to, (i) Seller's failure to satisfy the Buyer's Closing Conditions that by their terms are to be satisfied by Seller or (ii) a breach or default by Seller under this Agreement after the expiration of any applicable notice and cure periods, then the Deposit will be transferred back to Buyer, and Seller hereby covenants and agrees to execute, acknowledge and deliver to Buyer any and all instruments and documents requested by Buyer in order to return such Deposit back to Buyer. Except as expressly set forth in this Agreement, the Deposit will be returned to Buyer in accordance with the Bidding Procedures.

### **ARTICLE 3**

#### **SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

Seller hereby represents, warrants and covenants to Buyer, as follows:

3.1 **Organization and Power.** Seller has been duly formed, is validly existing and is in good standing under the laws of the State of California with full limited liability company power and authority to enter into and perform this Agreement. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986 (i.e., Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and regulations promulgated thereunder).

3.2 **Authorization and Execution.** This Agreement has been, and each of the Seller Deliveries to be delivered by Seller to Buyer at Closing will be, duly authorized, executed and delivered by Seller, and, subject to the entry of the Bidding Procedure Order and the Approval Order, this Agreement is a valid and binding agreement of Seller enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law.

3.3 **No Right To Purchase By Third Parties:** There are no outstanding options or rights of first refusal to purchase the Property or any portion thereof from Seller.

3.4 **Noncontravention.** To Seller's Actual Knowledge, the execution and delivery of, and the performance by Seller of its obligations under, this Agreement and each of Seller's documents to be delivered to Buyer at Closing as provided in Section 6.2 of this Agreement, do not and will not contravene, or constitute a default under, any provision of applicable law or regulation, Seller's Organizational Documents or any agreement, contract, judgment, injunction, order, decree or other instrument binding upon Seller, or result in the creation of any lien or other encumbrance on the Property. Furthermore, to the best of Seller's knowledge, there is no aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

3.5 **No Governmental Non-Compliance:** To Seller's Actual Knowledge, Seller is in compliance with all laws, statutes, rules and regulations of any federal, state or local governmental authority in the United States of America applicable to Seller and all beneficial owners of Seller arising out of the requirements of Executive Order No. 133224, 66 Fed Reg. 49079 (September 25,



2001) and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury and in any enabling legislation or other Executive Orders in respect thereof.

3.6 **No Parties In Possession Other Than The Seller**: There are no leases, subleases, licenses or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Property, except for the Goodness Lease. The Property will be sold free and clear of any obligations arising under the Goodness Lease.

3.7 **Condemnation Proceedings**. To Seller's Actual Knowledge, there are no pending condemnation or eminent domain proceedings affecting the Property or any part thereof, and Seller has not received any written notice of any threatened proceedings affecting the Property or any part thereof.

3.8 **Material Litigation**. To the best of Seller's knowledge, other than the Goodness Litigation, the Case and the claims and liens against the Property asserted by Seller's secured lenders, Seller has received no written notice of any claim, litigation, proceeding or governmental investigation pending and, to Seller's Actual Knowledge, other than the Goodness Litigation and the Case, there is no claim, litigation, proceeding or governmental investigation threatened against or relating to the Property or the transactions contemplated hereby which, if resolved or determined adversely to Seller, would have a material and adverse impact on Seller, its ability to consummate the transactions contemplated hereby, or the value of the Property.

3.9 **Hazardous Materials**. To the best of Seller's knowledge, except as disclosed to Buyer, Seller has received no written notice that the Property has been or is currently in violation of any federal, state and local laws, ordinances and regulations applicable to the Property with respect to hazardous or toxic substances or industrial hygiene (collectively, "**Environmental Laws**"); and to Seller's Actual Knowledge, Seller has not introduced, or knowingly permitted any other party to introduce, nor is Seller aware of, any hazardous materials, hazardous substances or hazardous waste on or under the Property in violation of any Environmental Laws.

3.10 **Survival of Representations**. Each of the representations and warranties contained in this Article 3 is intended for the benefit of Buyer. Each of such representations and warranties shall expire at the Closing.

3.11 **Qualifications to Representations**. As used in this Agreement, the phrase "**To Seller's Actual Knowledge**" or "**Actual Knowledge**" or words of similar import shall mean the actual knowledge of Aaron Badart and Egan Badart, and the knowledge of a reasonable person in the position of such individuals would have after reasonable inquiry.

3.12 **Bankruptcy Court Approval**.

(a) This Agreement is subject to approval by the Bankruptcy Court. Buyer acknowledges that, promptly following the execution of this Agreement, Seller intends to file with the Bankruptcy Court a motion seeking an order ("**Bidding Procedures Order**") approving, among other things, (a) the sale of the Property, (b) Buyer as the stalking horse bidder for the Property, (c) the Bidding Procedures, (d) the Breakup Fee and other stalking



horse protections in favor of Buyer in order to incentivize Buyer to become a party to this Agreement and to subject itself and this Agreement to competitive overbidding at an auction for the Property (the “**Auction**”), and (e) setting a further hearing to be held promptly after the Auction at which Seller will ask the Bankruptcy Court to approve the bid that Seller will designate as the highest or best bid for the Property (collectively, the “**Sale Motion**”). ’

(b) If this Agreement (as it may be modified in the event of Buyer’s improving its terms due to further bidding pursuant to the Bidding Procedures) is determined by the Debtor to be the successful bid at the Auction, the Debtor will request an order on the Sale Motion (the “**Approval Order**”) in a form and substance reasonably acceptable to Buyer and Seller that, among other things, (i) authorizes Seller to enter into such documents and agreements as may be necessary to implement the transaction contemplated herein (the “**Transaction Documents**”); (ii) approves and authorizes pursuant to Sections 105, 363 and any other applicable provisions of the Bankruptcy Code the sale and transfer of the Property to Buyer free and clear of interests of any kind and nature including, without limitation, all liens, liabilities, adverse claims of ownership and other interests, if any, in the Property asserted by the Goodness Parties, all whether arising out of or related to the Goodness Litigation or otherwise, with such interests, if any, to attach to the proceeds of the sale; (iii) contains a finding that Buyer’s purchase of the Property constitutes a purchase in good faith within the meaning of Section 363(m) of the Bankruptcy Code and that Buyer is entitled to have the protections afforded by that section; (iv) contains a finding that reasonable and adequate notice of the sale and transfer of the Property to Buyer has been provided to all parties required to be given notice under the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Central District of California; (v) contains a finding that neither Seller nor Buyer has engaged in any conduct that would cause or permit the sale of the Property to be avoided under Section 363(n) of the Bankruptcy Code; (vi) bars any third parties from asserting claims (including any claims for successor liability, including, without limitation, claims arising from unassumed unexpired leases or executory contracts), or interests of any kind or nature (including without limitation any claims or interests asserted by the Goodness Parties arising out of or relating to the Goodness Litigation or otherwise) against Buyer or any Affiliate or interest holder thereof, or any Affiliate, officers or agent of any of the foregoing, that arose prior to Closing; (vii) provides that the Approval Order is binding on any and all successors and assigns, including any trustee appointed after entry of the Approval Order pursuant to Section 1104 of the Bankruptcy Code or pursuant to Sections 701 or 702 of the Bankruptcy Code if the Case is converted to a case under chapter 7 of the Bankruptcy Code; (ix) provides that except as otherwise agreed by the Parties, the rights and obligations of the Parties created under this Agreement and the Approval Order shall not be altered, modified or impaired by the terms of any Plan or order confirming such Plan, and shall survive confirmation of a Plan and closing or dismissal of the Case; and (x) provides for a waiver of the stay that otherwise would be imposed on the Approval Order pursuant to Bankruptcy Rule 6004(h).

(c) Subject to the entry of the Bidding Procedures Order, if, following the Auction, Buyer is neither the Successful Bidder nor the Back-up Bidder (each as defined in the Bidding Procedures) and has not otherwise breached its obligations under this Agreement, in addition to the return of its Deposit in accordance with this Agreement, Buyer, as the stalking-horse bidder, will be entitled to receive a break-up fee in the amount of \$200,000.00 (the

“**Breakup Fee**”), to be paid to Buyer as an administrative expense of Seller’s bankruptcy estate upon the closing of the sale of the Property to the Successful Bidder and exclusively from the proceeds of such sale. The Breakup Fee will be payable to the Buyer even if the Buyer is designated as the Next Highest Bidder but elects not to be the Back-up Bidder.

(d) For the avoidance of doubt, if a bidder other than Buyer is approved by the Bankruptcy Court as the Successful Bidder, other than for Buyer’s right to the return of the Deposit and to the payment of the Breakup Fee in accordance with this Agreement, Buyer will not be entitled to any further claim against or recovery from the Debtor’s bankruptcy estate on account of this Agreement.

**ARTICLE 4**  
**BUYER’S REPRESENTATIONS, WARRANTIES AND**  
**COVENANTS; AS-IS SALE; BUYER AND SELLER RELEASES**

Buyer hereby represents, warrants and covenants to Seller as follows:

4.1 **Organization and Power.** Buyer has been duly formed, is validly existing and is in good standing under the laws of the State of California with full corporate power and authority to enter into and perform this Agreement and is duly qualified to do business in and is in good standing under the laws of the State of California.

4.2 **Authorization and Execution.** This Agreement has been, and each of the Buyer Deliveries to be delivered by Buyer to Seller at Closing will be, duly authorized, executed and delivered by Buyer, and, subject to the entry of the Bidding Procedures Order and Approval Order, this Agreement is a valid and binding agreement of Buyer enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law.

4.3 **Noncontravention.** The execution and delivery of, and the performance by Buyer of its obligations under, this Agreement and each of Buyer’s documents to be delivered to Seller at Closing as provided in Section 6.3 of this Agreement, do not and will not contravene, or constitute a default under, any provision of applicable law or regulation, Buyer’s organizational documents, or any agreement, contract, judgment, injunction, order, decree or other instrument binding upon Buyer, or result in the creation of any lien or other encumbrance on any asset of Buyer.

4.4 **As-Is Sale; Releases.**

(a) **Seller Disclaimer.** BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ARTICLE 3 ABOVE, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PROPERTY, THE PHYSICAL CONDITION OF ANY PERSONAL PROPERTY COMPRISING A PART OF THE PROPERTY OR WHICH IS THE SUBJECT OF ANY

OTHER LEASE OR CONTRACT TO BE ASSUMED BY BUYER AT THE CLOSING, THE ENVIRONMENTAL CONDITION OR OTHER MATTERS RELATING TO THE PHYSICAL CONDITION OF ANY REAL PROPERTY OR IMPROVEMENTS WHICH ARE THE SUBJECT OF ANY REAL PROPERTY LEASE, IF ANY, TO BE ASSUMED BY BUYER AT THE CLOSING, THE ZONING OF ANY SUCH REAL PROPERTY OR IMPROVEMENTS, THE VALUE OF THE PROPERTY (OR ANY PORTION THEREOF), THE TRANSFERABILITY OF THE PROPERTY, THE TERMS, AMOUNT, VALIDITY OR ENFORCEABILITY OF ANY ASSUMED LIABILITIES, THE TITLE OF THE PROPERTY (OR ANY PORTION THEREOF), THE MERCHANTABILITY OR FITNESS OF ANY PERSONAL PROPERTY OR ANY OTHER PORTION OF ANY PROPERTY FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER OR THING RELATING TO THE PROPERTY OR ANY PORTION THEREOF. WITHOUT IN ANYWAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS ANY WARRANTY, EXPRESSED OR IMPLIED, OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE PROPERTY. BUYER FURTHER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE PROPERTY AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE PROPERTY AS BUYER DEEMED NECESSARY OR APPROPRIATE AND THAT, IN PROCEEDING WITH ITS ENTERING INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE 3, BUYER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, BUYER ACCEPTS THAT THE PROPERTY WILL BE ACQUIRED AT THE CLOSING “AS IS,” “WHERE IS,” AND “WITH ALL FAULTS.”

(b) Sellers covenant and agree that if the Approval Order is entered, the terms of any plan submitted by Sellers to the Bankruptcy Court for confirmation will not conflict with, supersede, abrogate, nullify, modify or restrict the terms of this Agreement and the rights of Buyer hereunder, or in any way prevent or interfere with the consummation nor performance of the purchase including any transaction that is contemplated by or approved pursuant to the Approval Order. This Section 4.4(b) shall survive any Closing and any termination of this Agreement other than a termination by Buyer after the Bankruptcy Court determines that Seller materially breached this Agreement. If Buyer is the Successful Buyer, Buyer (on behalf of itself and each of its Affiliates) and its Affiliates hereby covenant and agree that none of Buyer or any of its Affiliates shall act or fail to act in any manner that adversely interferes with Seller’s efforts to obtain confirmation of any Plan. Furthermore, Buyer (on behalf of itself and each of its Affiliates) hereby covenants and agrees, at the request of Seller, to take such actions and execute such documents (or cause its Affiliates to take such actions and execute such documents) which are not inconsistent with the rights granted under this Agreement as Seller may request in connection with confirmation and implementation of a Plan. This Section 4.4(b) shall survive any Closing and any termination of this Agreement other than a termination by Buyer after the Bankruptcy Court determines that Seller materially breached this Agreement.

(c) **Property Information.** Buyer further acknowledges and agrees that Seller has afforded Buyer the opportunity for full and complete investigations, examination and

inspections of the Property and relevant documentation relating to the Property (the “**Property Information**”). Buyer acknowledges and agrees that (i) the Property Information delivered or made available to Buyer and its representatives by the Seller Parties and their respective agents and other representatives may have been prepared by third parties and may not be the work product of any of the Seller Parties, (ii) none of the Seller Parties has made any independent investigation or verification of, or has any knowledge of, the accuracy or completeness of the Property Information, (iii) the Property Information delivered or made available to Buyer and Buyer’s representatives is furnished to each of them at the request, and for the convenience, of Buyer, (iv) except as otherwise expressly represented by Seller in this Agreement, Buyer is relying solely on its own investigations, examinations and inspections of the Property and those of Buyer’s representatives and (v) all of the Seller Parties expressly disclaim any representations or warranties with respect to the accuracy or completeness of the Property Information and Buyer releases each of the Seller Parties and their respective agents and representatives, from any and all liability with respect thereto. Buyer acknowledges and agrees that upon the Closing Date, all contingencies relating to the Property Information shall be deemed to have been removed or satisfied, and that Buyer shall have no right to terminate this Agreement by reason thereof, except as the result of a breach by Seller that results in the failure of the closing to occur. This Section 4.4(c) will survive any Closing and any termination of this Agreement.

(d) **Buyer Releases of Seller and Seller Affiliates.** Except with respect to Seller’s representations, warranties, and covenants under this Agreement, Buyer and its Affiliates and anyone claiming by, through or under them, each hereby fully and irrevocably releases each of the Seller Parties, and their respective agents, consultants and other representatives (collectively, the “**Seller Released Parties**”), from any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, that it or they may then have against any of the Seller Released Parties for any cost, loss, liability, damage, expense, action or cause of action at law, in equity or otherwise, arising from, or related in any way to the Property (including, without limitation, any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, relating in any way to or in connection with any claim relating the physical or environmental condition of the Property sold, the operation of the Property, the repair or maintenance of the Property, or arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement, except for claims arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement that expressly survives the Closing by the terms of this Agreement); provided, however, that this release shall no longer be effective if this Agreement is terminated and (A) the Bankruptcy Court determines on a final, non-appealable basis, that Seller materially breached this Agreement, (B) Buyer’s Closing Conditions set forth in Section 5.1 of this Agreement have not been satisfied or waived by Buyer, or (C) Seller’s Closing Conditions set forth have not been satisfied or waived by Seller. As of the Closing, Buyer and its Affiliates and anyone claiming by, through or under them, each hereby fully and irrevocably releases each of the Seller Released Parties, from any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, that it may then have against any of the Seller Released Parties, for any cost, loss, liability, damage, expense, action or cause of action, at law, in equity or otherwise, arising from or related in any way to the Property (including, without limitation, any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, relating in any way to or arising under or in connection with any management agreement and/or any claim relating in any way to or arising from the physical or environmental condition of the Property, the

operation of the Property, the repair or maintenance of the Property, or arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement, except for claims arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement that expressly survives the Closing by the terms of this Agreement), Buyer and its Affiliates further agree that the releases hereunder shall be given full force and effect according to each of their expressed terms and provisions, including, without limitation, any unknown and suspected claims, damages and causes of action. Notwithstanding any provisions at law or by statute pertaining to releases and waivers of claims, the releases contained hereinabove shall each constitute a full release in accordance with their terms. Buyer and its Affiliates hereby knowingly and voluntarily waive any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of the releases and waivers contained herein, and acknowledge that each release and waiver contained herein is an essential and material term of this Agreement, and without such release or waiver this Agreement would not have been entered into by Seller. Buyer and its Affiliates hereby respectively represent and warrant that they have been advised by their legal counsel or have had the opportunity to obtain advice of legal counsel of their choice, and understand and acknowledge the significance of the releases and waivers contained herein and the specific waiver of any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of any release or waiver contained herein. This Section 4.4(d) shall survive any Closing and any termination of this Agreement.

THE UNDERSIGNED ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

THE UNDERSIGNED, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.



Seller's Initials

Buyer's Initials

(e) **Seller Releases of Seller and Seller Affiliates.** Except with respect to Buyer's representations, warranties, and covenants under this Agreement, Seller and its Affiliates and anyone claiming by, through or under them, each hereby fully and irrevocably releases each of the Buyer Parties, and their respective agents, consultants and other representatives (collectively, the "**Buyer Released Parties**"), from any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, that it or they may then have against any of the



operation of the Property, the repair or maintenance of the Property, or arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement, except for claims arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement that expressly survives the Closing by the terms of this Agreement), Buyer and its Affiliates further agree that the releases hereunder shall be given full force and effect according to each of their expressed terms and provisions, including, without limitation, any unknown and suspected claims, damages and causes of action. Notwithstanding any provisions at law or by statute pertaining to releases and waivers of claims, the releases contained hereinabove shall each constitute a full release in accordance with their terms. Buyer and its Affiliates hereby knowingly and voluntarily waive any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of the releases and waivers contained herein, and acknowledge that each release and waiver contained herein is an essential and material term of this Agreement, and without such release or waiver this Agreement would not have been entered into by Seller. Buyer and its Affiliates hereby respectively represent and warrant that they have been advised by their legal counsel or have had the opportunity to obtain advice of legal counsel of their choice, and understand and acknowledge the significance of the releases and waivers contained herein and the specific waiver of any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of any release or waiver contained herein. This Section 4.4(d) shall survive any Closing and any termination of this Agreement.

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A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

THE UNDERSIGNED, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

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Seller's Initials



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Buyer's Initials

(e) **Seller Releases of Seller and Seller Affiliates.** Except with respect to Buyer's representations, warranties, and covenants under this Agreement, Seller and its Affiliates and anyone claiming by, through or under them, each hereby fully and irrevocably releases each of the Buyer Parties, and their respective agents, consultants and other representatives (collectively, the "**Buyer Released Parties**"), from any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, that it or they may then have against any of the

Buyer Released Parties for any cost, loss, liability, damage, expense, action or cause of action at law, in equity or otherwise, arising from any breach of an express representation, warranty or covenant of Buyer contained in this Agreement, except for claims arising from any breach of an express representation, warranty or covenant of Buyer contained in this Agreement that expressly survives the Closing by the terms of this Agreement); provided, however, that this release shall no longer be effective if this Agreement is terminated and (A) the Bankruptcy Court determines on a final, non-appealable basis, that Buyer materially breached this Agreement, (B) Seller's Closing Conditions set forth in Section 5.2 of this Agreement have not been satisfied or waived by Seller, or (C) Buyer's Closing Conditions set forth have not been satisfied or waived by Buyer. As of the Closing, Seller and its Affiliates and anyone claiming by, through or under them, each hereby fully and irrevocably releases each of the Buyer Released Parties, from any and all claims, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, that it may then have against any of the Buyer Released Parties, for any cost, loss, liability, damage, expense, action or cause of action, at law, in equity or otherwise, arising from any breach of an express representation, warranty or covenant of Buyer contained in this Agreement, except for claims arising from any breach of an express representation, warranty or covenant of Seller contained in this Agreement that expressly survives the Closing by the terms of this Agreement), Seller and its Affiliates further agree that the releases hereunder shall be given full force and effect according to each of their expressed terms and provisions, including, without limitation, any unknown and suspected claims, damages and causes of action. Notwithstanding any provisions at law or by statute pertaining to releases and waivers of claims, the releases contained hereinabove shall each constitute a full release in accordance with their terms. Seller and its Affiliates hereby knowingly and voluntarily waive any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of the releases and waivers contained herein, and acknowledge that each release and waiver contained herein is an essential and material term of this Agreement, and without such release or waiver this Agreement would not have been entered into by Buyer. Seller and its Affiliates hereby respectively represent and warrant that they have been advised by their legal counsel or have had the opportunity to obtain advice of legal counsel of their choice, and understand and acknowledge the significance of the releases and waivers contained herein and the specific waiver of any and all statutes, laws, rules and/or regulations that in any way would otherwise limit, restrict or nullify the effect of any release or waiver contained herein. This Section 4.4(e) shall survive any Closing and any termination of this Agreement.

THE UNDERSIGNED ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

THE UNDERSIGNED, BEING AWARE OF THIS CODE SECTION, HEREBY

EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.



Seller's Initials

Buyer's Initials

(f) **No Fraud Waiver.** Notwithstanding anything to the contrary set forth in this Agreement (including, without limitation, this Section 4.4), in no event have Buyer or Seller or any of their Affiliates waived hereby, or will be deemed to have waived hereby, any right, claim or cause of action that Buyer or Seller or any of their Affiliates may have or assert against the other or any of its Affiliates relating to fraud, and the waivers in this Agreement shall not be deemed to waive or absolve Seller or Buyer or any of their Affiliates from any liability for fraud or any action in fraud.

4.5 **Buyer's Covenant Not to Sue.** Except as to any action, suit or proceeding relating to matters which are not released by Buyer pursuant to Section 4.4 above, Buyer and its Affiliates and anyone claiming by, through or under them, shall (i) not assert or bring any action, suit or proceeding against any of the Seller Released Parties for any reason whatsoever, (ii) not join any action, suit or proceeding against any of the Seller Released Parties for any reason whatsoever, and (iii) opt-out immediately from any action, suit or proceeding against Seller. This Section 4.5 shall survive any Closing and any termination of this Agreement unless (A) the Bankruptcy Court determines on a final, non-appealable basis, that Seller materially breached this Agreement, (B) Buyer's Closing Conditions set forth in Section 5.1 of this Agreement have not been satisfied or waived by Buyer, or (C) Seller's Closing Conditions set forth have not been satisfied or waived by Seller.

4.6 **Seller's Covenant Not to Sue.** Except as to any action, suit or proceeding relating to matters which are not released by Seller pursuant to Section 4.4 above, Seller and its Affiliates and anyone claiming by, through or under them, shall (i) not assert or bring any action, suit or proceeding against any of the Buyer Released Parties for any reason whatsoever, (ii) not join any action, suit or proceeding against any of the Buyer Released Parties for any reason whatsoever, and (iii) opt-out immediately from any action, suit or proceeding against Seller. This Section 4.6 shall survive any Closing and any termination of this Agreement unless (A) the Bankruptcy Court determines on a final, non-appealable basis, that Buyer materially breached this Agreement, (B) Seller's Closing Conditions set forth in Section 5.2 of this Agreement have not been satisfied or waived by Seller, or (C) Buyer's Closing Conditions set forth have not been satisfied or waived by Buyer.

4.7 **Sufficiency of Funds.** As of the date hereof and the Effective Date, Buyer hereby represents and warrants to Seller that Buyer has sufficient funds available to consummate the transactions contemplated thereby.



EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

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Seller's Initials

  
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Buyer's Initials

(f) **No Fraud Waiver.** Notwithstanding anything to the contrary set forth in this Agreement (including, without limitation, this Section 4.4), in no event have Buyer or Seller or any of their Affiliates waived hereby, or will be deemed to have waived hereby, any right, claim or cause of action that Buyer or Seller or any of their Affiliates may have or assert against the other or any of its Affiliates relating to fraud, and the waivers in this Agreement shall not be deemed to waive or absolve Seller or Buyer or any of their Affiliates from any liability for fraud or any action in fraud.

4.5 **Buyer's Covenant Not to Sue.** Except as to any action, suit or proceeding relating to matters which are not released by Buyer pursuant to Section 4.4 above, Buyer and its Affiliates and anyone claiming by, through or under them, shall (i) not assert or bring any action, suit or proceeding against any of the Seller Released Parties for any reason whatsoever, (ii) not join any action, suit or proceeding against any of the Seller Released Parties for any reason whatsoever, and (iii) opt-out immediately from any action, suit or proceeding against Seller. This Section 4.5 shall survive any Closing and any termination of this Agreement unless (A) the Bankruptcy Court determines on a final, non-appealable basis, that Seller materially breached this Agreement, (B) Buyer's Closing Conditions set forth in Section 5.1 of this Agreement have not been satisfied or waived by Buyer, or (C) Seller's Closing Conditions set forth have not been satisfied or waived by Seller.

4.6 **Seller's Covenant Not to Sue.** Except as to any action, suit or proceeding relating to matters which are not released by Seller pursuant to Section 4.4 above, Seller and its Affiliates and anyone claiming by, through or under them, shall (i) not assert or bring any action, suit or proceeding against any of the Buyer Released Parties for any reason whatsoever, (ii) not join any action, suit or proceeding against any of the Buyer Released Parties for any reason whatsoever, and (iii) opt-out immediately from any action, suit or proceeding against Seller. This Section 4.6 shall survive any Closing and any termination of this Agreement unless (A) the Bankruptcy Court determines on a final, non-appealable basis, that Buyer materially breached this Agreement, (B) Seller's Closing Conditions set forth in Section 5.2 of this Agreement have not been satisfied or waived by Seller, or (C) Buyer's Closing Conditions set forth have not been satisfied or waived by Buyer.

4.7 **Sufficiency of Funds.** As of the date hereof and the Effective Date, Buyer hereby represents and warrants to Seller that Buyer has sufficient funds available to consummate the transactions contemplated thereby.

**ARTICLE 5**  
**CONDITIONS AND ADDITIONAL COVENANTS**

**5.1 As to Buyer's Obligations.** Buyer's obligations under this Agreement are subject to the waiver by Buyer or satisfaction of the following conditions precedent ("**Buyer's Closing Conditions**"):

(a) **Seller's Deliveries.** On the Closing Date, Seller shall have delivered to or for the benefit of Buyer or any of them all of the Seller's Deliveries as set forth and as described in Section 6.2 of this Agreement.

(b) **Representations, Warranties and Covenants.** All of Seller's material representations and warranties made in this Agreement shall be true, correct and complete in all material respects as of the Closing Date as if then made. Seller shall have performed all of its covenants and other obligations under this Agreement which by their terms should have been performed by the Closing Date.

(c) **Successful Bidder.** Buyer is selected by Seller as the successful bidder in the bidding process and such selection is approved by the Bankruptcy Court

(d) **Bidding Procedures Order: Approval Order.** The Bankruptcy Court shall have entered each of the Bidding Procedures Order and the Approval Order. The Approval Order shall be a Final Order and will be in form and content reasonably acceptable to each of the Parties.

(e) **Title Policy.** The Title Company shall be irrevocably committed to issue an ALTA extended coverage owner's policy of title insurance (the "**Title Policy**") insuring Buyer's interest in the Property, dated the day and time of the Closing, with liability in an amount up to the fair market value of the Property subject only to such exceptions as set forth in the policy and including such endorsements as have been reasonably requested by Buyer (it being understood and agreed that Seller shall seek to include in the Approval Order a provision that directs the Goodness Parties at the Close of Escrow to record a release or withdrawal of any *lis pendens* as filed by one or more of them against the Property in connection with the Goodness Litigation).

(f) **No Litigation.** No action, suit or other proceedings shall be pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or seeking to obtain substantial damages in respect thereof, or involving a claim that consummation thereof would result in the violation of any law, decree or regulation of any governmental authority having appropriate jurisdiction.

(g) **Acceptance of Environmental.** Within thirty (30) days of the execution of this Agreement, Buyer will notify Seller, in writing, that it accepts the environmental condition of the Property for purposes of Closing.

(h) **Goodness Lease.** Buyer is provided satisfactory evidence that the Goodness Lease has terminated or is otherwise no longer in effect, or the Approval Order provides

that the sale to Buyer is free and clear of the Goodness Lease and that Goodness has no ongoing right to occupy the Property under the Goodness Lease.

(i) **Goodness Personal Property.** By no later than three (3) business days prior or the Bid Deadline, all Goodness Personal Property to be removed from the Property either (A) has been removed from the Property, or (B) if any of the Goodness Personal Property remains on the Property, (1) has been abandoned and surrendered, and the Goodness Parties have agreed to release all right, title and interest in and to such property or (2) is the subject of a court order that directs such abandonment, surrender and release. By no later than three (3) business days prior to the Bid Deadline, the Goodness Parties will have no further access to the Property absent the written consent of Seller.

(j) **Preclosing Matters.** Seller covenants that Seller shall (i) continue all insurance policies relating to the Property in full force and effect, and shall fully and timely perform all of Seller's obligations thereunder, through the Closing, and neither cancel, amend nor renew any of the same until after the Closing without Buyer's prior written consent; and (ii) promptly provide Buyer with copies of all written default notices, notices of lawsuits and notices of violations affecting the Property received by Seller and not previously disclosed to Buyer.

Each of the conditions precedent contained in this Section 5.1 are intended for the benefit of Buyer and may be waived in whole or in part by Buyer, but only by an instrument in writing signed by Buyer.

**5.2 As to Seller's Obligations.** Seller's obligations under this Agreement are subject to the waiver by Seller or the satisfaction of the following conditions precedent ("**Seller's Closing Conditions**"):

(a) **Buyer's Deliveries.** On the Closing Date, Buyer or its Affiliate shall have paid or delivered, as applicable, to Escrow, for the benefit of Seller all of the Buyer's Deliveries as set forth in Section 6.3 of this Agreement.

(b) **Representations, Warranties and Covenants.** All of Buyer's material representations and warranties made in this Agreement shall be true, correct and complete in all material respects as of the Closing Date as if then made. Buyer and its Affiliates shall have performed all of its covenants and other obligations under this Agreement which by their terms should have been completed by the Closing Date.

(c) **Deposit.** On or before the Closing Date, in accordance with the provisions of Section 2.1 of this Agreement, the Deposit shall have been transferred to Seller.

(d) **Approval Order.** The Bankruptcy Court shall have entered the Approval Order, which shall be a Final Order and in form and content reasonably acceptable to each of the Parties, and approving the Sale Motion, and approving and authorizing Seller to enter into and implement this Agreement, and the Approval Order shall not have been stayed.

(e) **No Litigation.** No action, suit or other proceedings shall be pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or seeking to

obtain substantial damages in respect thereof, or involving a claim that consummation thereof would result in the violation of any law, decree or regulation of any governmental authority having appropriate jurisdiction.

Each of the conditions precedent contained in this Section 5.2 are intended for the benefit of Seller and may be waived in whole or in part by Seller, but only by an instrument in writing signed by Seller.

## **ARTICLE 6** **CLOSING**

6.1 **Closing**. The Closing shall be held at 9:00 a.m., Pacific time, at the offices of Zolkin Talerico LLP, located at 12121 Wilshire Blvd., Los Angeles, California 90025, or at such other place as Buyer and Seller may mutually determine. Possession of the Property transferred hereunder shall be delivered to Buyer at Closing, subject only to the exceptions listed in the Title Policy, and the Purchase Price shall be delivered to Seller at Closing. The Closing shall be conducted in a manner to allow all documents and the Closing Statements to be executed in counterpart by each of the Parties and delivered to the Escrow Agent prior to or on the Closing Date.

(a) Unless otherwise modified or waived in writing by Buyer and Seller, the Closing shall occur on or before three (3) business days following the date on which the Approval Order becomes a Final Order, but in no event later than March 2, 2020.

6.2 **Seller's Deliveries**. At Closing, Seller shall deliver to Buyer all of the following documents relating to the Property (the "**Seller's Deliveries**"), each of which shall have been duly executed and, where applicable, acknowledged and/or sworn on behalf of Seller and shall be dated as of the Closing Date:

(a) **Deed**. Seller shall execute, and deliver to Buyer the Deed, as fully executed and acknowledged by Seller.

(b) **Approval Order**. Seller shall provide to Buyer a Court certified copy of the Approval Order.

(c) **Bill of Sale and Assignment**. Seller shall execute, acknowledge and deliver to Buyer a Bill of Sale and Assignment in the form attached hereto as Exhibit D, conveying the Personal Property, the Warranties, the Plans, and the Permits to Buyer.

(d) **Title Company Documents**. Any other documents reasonably required by the Title Company or called for hereunder which have not previously been delivered, in order to consummate the transaction contemplated by this Agreement.

(e) **Foreign Investment In Real Property Tax Act Requirements**. Seller and Buyer agree to comply with all requirements of the Foreign Investment In Real Property Tax Act, as amended, and applicable IRS Regulations ("FIRPTA"). If Seller is not a "foreign person" as defined in FIRPTA, this requirement includes the delivery of a certificate at Closing verifying that Seller is not a foreign person. If Seller is a foreign person or if Seller fails to deliver the required

certificate, Seller acknowledges that a portion of the Purchase Price that would otherwise be paid to Seller at the Closing must be withheld in order to comply with the FIRPTA requirements. The amount required to be withheld shall be paid to Seller for delivery to the Internal Revenue Service, along with the appropriate FIRPTA reporting forms, copies of which shall be provided to Seller and Buyer. All costs and expenses relating to the withholding and payment of such funds to the Internal Revenue Service shall be paid by Seller.

(f) **Organizational Documents**. Seller and Buyer shall each deliver to the other such instruments, documents, or certificates (including certificates of public officials to the extent the same are reasonably available) as the other party or its counsel may reasonably request in order to attest to the organization and existence of such party, its authority to execute and deliver this Agreement, and to effect the transactions herein contemplated, and attesting to the taking of all necessary action to authorize the herein contemplated transactions.

(g) **Closing Statement**. Seller and Buyer shall each deliver to the other party an executed Closing Statement.

(h) **Miscellaneous**. Any other document or instrument reasonably requested by Buyer relating to the transactions contemplated hereby.

6.3 **Buyer's Deliveries**. At Closing, Buyer or its Affiliate shall pay or deliver to Seller all of the following (the "**Buyer's Deliveries**"), each of which shall have been duly executed and, where applicable, acknowledged and/or sworn on behalf of Buyer or its Affiliates as applicable, and shall be dated as of the Closing Date:

(a) **The Purchase Price**. The Purchase Price due pursuant to Section 2.1 of this Agreement by wire transfer of immediately available funds to an account designated by Seller.

(b) **Authorizations**. Reasonable proof of the authority of Buyer's signatories, and reasonable evidence of the due authorization, execution and delivery by Buyer of this Agreement and the other documents delivered by Buyer hereunder, and the due organization and good standing of Seller in its state of organization.

(c) **Miscellaneous**. Any other document or instrument reasonably requested by Seller relating to the transaction contemplated hereby.

6.4 **Closing Costs**. Except as otherwise expressly provided in this Agreement, each of the Parties hereto shall pay its own legal fees and expenses. Seller will pay from the proceeds of sale at Closing all filing or recording fees for the Deed and other Closing documents, recording or other similar taxes due with respect to the transfer of title to the Property, all real estate transfer fees and/or taxes (such as documentary stamp taxes and/or excise taxes) payable in connection with the recordation of the Deed, Buyer's initial Title Policy premium. Seller also will pay from the proceeds of sale at Closing the 4% brokerage fees due NAI Capital as dual broker for the sale contemplated herein. All costs and expenses of any title report, and any Survey, inspections, tests and appraisals performed by Buyer pertaining to the Property will be paid by Buyer. Except as otherwise expressly provided in

this Agreement, all other Closing costs will be split between the Parties in accordance with local custom.

6.5 **Closing Adjustments.** The following shall be prorated and adjusted between Seller and Buyer through the escrow account as of 12:01 a.m. on the day of the Closing, except as otherwise specified:

(a) Buyer's share of real property taxes and assessments will be prorated as of the Closing.

(b) Unless otherwise provided in this Section 6.5, all prorations shall be made on the basis of the actual days in a month and a three hundred sixty-five (365) day year. The obligations of Buyer and Seller under this Section 6.5 shall not survive the Closing.

(c) Prior to the Bid Deadline, following the Tenant's vacation of the Property and completion of Buyer's inspection to assess any material damages to the Property resulting therefrom, in the event that Buyer's inspection provides a repair estimate of damages in excess of \$50,000 (excluding ordinary wear and tear expenses), then Seller shall elect one of the following:

1. Buyer shall be entitled to a reduction in the Purchase Price by an amount equal to (a) the repair estimate of damages for the Property as reasonably determined by Buyer, minus (b) \$50,000, or,

2. Seller may notify Buyer at least two (2) business days prior to the Bid Deadline that it will not reduce the Purchase Price under 6.5(c)(1). Buyer may, at its option; either (i) elect to terminate this Agreement by delivering a written termination notice to Seller at least one (1) business day prior to the Bid Deadline. Termination of the Agreement under this paragraph 6.5(c)(2)(i) shall entitle Buyer to be paid its Breakup Fee as an administrative expense of Seller's bankruptcy estate upon the closing of the sale of the Property to the Successful Bidder and exclusively from the proceeds of such sale, or (ii) waive its right to terminate and waive any breach or default on the part of Seller (if any) and, instead, proceed to under this Agreement.

## **ARTICLE 7** **GENERAL PROVISIONS**

7.1 **Loss by Condemnation.** If all or a material portion of the Property shall be taken by eminent domain or similar proceedings (a "**Taking**"), then Buyer shall have the right to terminate this Agreement upon written notice to Seller. Buyer's failure to give notice within 10 days after notice from Seller of such condemnation shall be deemed its election not to terminate this Agreement and to proceed to Closing. If Buyer shall elect to proceed with the Closing after a Taking, the Parties shall do so without any reduction or adjustment to the amount of the Purchase Price, and Buyer shall accept the Property whether or not such Property shall have been repaired or restored after such Taking; provided that the amount of the Purchase Price shall be reduced only by the amount of any applicable condemnation proceeds (net of the reasonable cost of collecting the same) with respect to such Taking that Seller actually received and retained, and at Closing, Buyer shall receive an assignment of all



uncollected condemnation proceeds and applicable insurance proceeds not collected by Seller, including rent loss insurance, if any, relating to periods of time following the Closing.

(a) If this Agreement is terminated pursuant to this Section 7.1, Seller shall return the Deposit to Buyer, whereupon the Parties shall have no further rights or obligations hereunder (other than those rights and obligations which are specifically stated to survive a termination of this Agreement).

(b) Seller shall promptly notify Buyer of any condemnation affecting the Property.

7.2 **CASUALTY; RISK OF LOSS.** If the Property shall be damaged by fire or other casualty prior to Closing, the parties shall proceed to Closing, whereupon (A) Seller shall assign to Buyer Seller's right to receive any casualty insurance proceeds payable as a result of such casualty damage; (B) Seller shall pay to Buyer an amount, equal to the deductible amount on Seller's casualty policy; and (C) Buyer shall not then be able to seek any other damages or compensation from Seller.

7.3 **Real Estate Broker.** Pursuant to the terms of a listing Agreement between NAI Capital (through Scott Martin and Ryan Campbell) and Seller, NAI Capital has represented Buyer as its broker in the marketing and sale of the Property. As indicated in Section 6.4 above, upon Closing, NAI Capital will receive a commission of 4% of the Purchase Price, to be paid from escrow upon Closing. Buyer is not represented by its own broker. Except as provided in the immediately preceding sentence, each Party represents and warrants to the other that no commissions, finder's fees or brokerage fees are payable to any other person or entity in connection with the sale transaction contemplated herein. Each Party shall indemnify and hold the other harmless from and against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, reasonable attorney's fees and court costs, in connection with claims for any such commissions, finder's fees or brokerage fees, other than such commissions, finder's fees or brokerage fees arising from its conduct or the inaccuracy of the foregoing representation and/or warranty. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including reasonable attorney's fees and litigation costs) arising as a result of such claims and shall survive the Close.

7.4 **Indemnification.** Buyer shall indemnify and hold harmless the Seller Released Parties from and against any and all liabilities, damages (whether actual, consequential or otherwise), losses, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses and court costs (collectively, "**Losses**") which in any way arise out of or relate, in whole or in part, to Buyer's operation and/or ownership of the Property. Notice of any claim made by any Seller Released Party related to the indemnification provided in this Section 7.3 shall be given to Buyer, in writing, and shall specify the nature of the alleged indemnification claim with sufficient detail to enable the Buyer, to make a meaningful determination with respect to such claim.

**ARTICLE 8**  
**LIABILITY OF BUYER; TERMINATION RIGHTS**

**8.1 Termination by Buyer.**

(a) If at Closing any of Buyer's Closing Conditions set forth in this Agreement have not been satisfied with respect to the Property or, if prior to Closing upon the occurrence of any other event that would entitle Buyer to terminate this Agreement pursuant to the provisions of this Agreement, and Seller does not cure any such matter within ten (10) business days after written notice thereof from Buyer, then Buyer (absent default by Buyer) may, at its option, elect as its sole rights and remedies either to (i) terminate this Agreement by delivering a written termination notice to Seller (in which event Buyer's rights and obligations to purchase the Property shall be terminated and Seller may thereafter sell the Property to any third party without any obligation to Buyer whatsoever), and, if Seller does not dispute the basis for such Buyer termination, the Deposit shall be returned to Buyer in accordance with the provisions of Section 2.1 of this Agreement, (ii) waive its right to terminate and waive any breach or default on the part of Seller (if any) and, instead, proceed to Closing, or (iii) sue Seller for specific performance of Seller's obligations under this Agreement (provided, however, that in the event Buyer elects to sue Seller for specific performance of Seller's obligations under this Agreement, such action shall be commenced within ninety (90) days following the expiration of the cure period specified above without Seller having effected such cure and, in the event such action for specific performance is not commenced within such ninety (90) day period, Buyer hereby waives any and all right it may have to sue Seller for specific performance of Seller's obligations under this Agreement).

(b) In addition to and notwithstanding the foregoing, upon the occurrence of a breach or default of Seller under this Agreement with respect to the Property that is not cured within ten (10) business days (or such additional time as may be reasonably necessary to cure such breach or default) after written notice thereof from Buyer to Seller, and that prevents the Closing of the transactions contemplated hereunder with respect to the Property, then Buyer may terminate this Agreement, the Deposit shall be returned to Buyer in accordance with the provisions of Section 2.1 of this Agreement and Buyer may recover from Seller its actual and verifiable out-of-pocket damages, but not consequential, benefit-of-the-bargain or other damages, incurred by Buyer in connection with the negotiation of this Agreement, the transactions contemplated hereunder and/or otherwise as a direct result of Seller's breach or default.

(c) Seller acknowledges that the Bankruptcy Court's entry of the Bidding Procedure Order in substantially the form attached hereto is a material term of this Agreement, the failure of which shall give the Buyer the option to terminate this Agreement. Any such option to terminate shall be announced by Buyer at the Bidding Procedures Hearing, or otherwise be deemed waived. If the Agreement is terminated pursuant to Buyer's exercise of its option to terminate, and Buyer has otherwise not defaulted under or breached this Agreement, the Deposit shall be returned to Buyer within three (3) business days of such termination.




8.2 **Termination by Seller.** If any of Seller's Closing Conditions that by their terms are to be satisfied by Buyer or its Affiliates cannot or will not be satisfied prior to Closing (and even if such failure is not a default of this Agreement by Buyer) or upon the occurrence of any other event that would entitle Seller to terminate this Agreement, and Buyer fails to cure any such matter within ten (10) business days after notice thereof from Seller, Seller (absent default by Seller) may, at its option in its sole and absolute discretion, elect to (a) terminate this Agreement by providing written notice to Buyer thereof, in which event the rights and obligations of Seller and Buyer hereunder shall terminate immediately and, only in the event Buyer is in default hereunder (after the expiration of any applicable cure period), the Deposit shall be transferred to Seller as liquidated damages, or (b) waive its right to terminate, and instead, proceed to Closing. If Buyer is not in default under this Agreement (or, if Buyer is in default, but the applicable cure period has not yet expired) at the time of termination of this Agreement by Seller pursuant to the foregoing, the Deposit shall be returned to Buyer. If, prior to Closing, Buyer or its Affiliates default in performing any of its obligations under this Agreement (including, without limitation, its obligation to purchase the Property and/or its obligation to timely and faithfully perform each and every covenant and agreement set forth herein), and except as otherwise expressly provided in this Agreement, Buyer or its Affiliates fail to cure any such default within ten (10) business days after notice thereof from Seller, then Seller may terminate this Agreement in its entirety and receive and retain, as liquidated damages hereunder, the Deposit. ANY DEPOSIT PAID TO OR RETAINED BY SELLER AS LIQUIDATED DAMAGES UNDER THIS AGREEMENT SHALL BE SELLER'S SOLE REMEDY IF BUYER FAILS TO CLOSE THE PURCHASE OF THE PROPERTY. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER OR ITS AFFILIATES WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE LIQUIDATED DAMAGES (*I.E.*, THE VALUE OF THE DEPOSIT) STATED ABOVE REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THUS, SELLER SHALL ACCEPT AND RETAIN THE AMOUNTS DESCRIBED HEREIN AS LIQUIDATED DAMAGES BUT NOT AS A PENALTY OR FORFEITURE. SELLER SHALL ALSO BE ENTITLED TO RECOVER ATTORNEYS' FEES AND COSTS AS PROVIDED IN SECTION 8.3 BELOW IN ANY ACTION WITH RESPECT TO THE RETENTION OF THE DEPOSIT BY SELLER AS LIQUIDATED DAMAGES.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 8.2 ABOVE AND BY INITIALING IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.



Seller's Initials




Buyer's Initials

8.2 **Termination by Seller.** If any of Seller's Closing Conditions that by their terms are to be satisfied by Buyer or its Affiliates cannot or will not be satisfied prior to Closing (and even if such failure is not a default of this Agreement by Buyer) or upon the occurrence of any other event that would entitle Seller to terminate this Agreement, and Buyer fails to cure any such matter within ten (10) business days after notice thereof from Seller, Seller (absent default by Seller) may, at its option in its sole and absolute discretion, elect to (a) terminate this Agreement by providing written notice to Buyer thereof, in which event the rights and obligations of Seller and Buyer hereunder shall terminate immediately and, only in the event Buyer is in default hereunder (after the expiration of any applicable cure period), the Deposit shall be transferred to Seller as liquidated damages, or (b) waive its right to terminate, and instead, proceed to Closing. If Buyer is not in default under this Agreement (or, if Buyer is in default, but the applicable cure period has not yet expired) at the time of termination of this Agreement by Seller pursuant to the foregoing, the Deposit shall be returned to Buyer. If, prior to Closing, Buyer or its Affiliates default in performing any of its obligations under this Agreement (including, without limitation, its obligation to purchase the Property and/or its obligation to timely and faithfully perform each and every covenant and agreement set forth herein), and except as otherwise expressly provided in this Agreement, Buyer or its Affiliates fail to cure any such default within ten (10) business days after notice thereof from Seller, then Seller may terminate this Agreement in its entirety and receive and retain, as liquidated damages hereunder, the Deposit. ANY DEPOSIT PAID TO OR RETAINED BY SELLER AS LIQUIDATED DAMAGES UNDER THIS AGREEMENT SHALL BE SELLER'S SOLE REMEDY IF BUYER FAILS TO CLOSE THE PURCHASE OF THE PROPERTY. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER OR ITS AFFILIATES WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE LIQUIDATED DAMAGES (*I.E.*, THE VALUE OF THE DEPOSIT) STATED ABOVE REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THUS, SELLER SHALL ACCEPT AND RETAIN THE AMOUNTS DESCRIBED HEREIN AS LIQUIDATED DAMAGES BUT NOT AS A PENALTY OR FORFEITURE. SELLER SHALL ALSO BE ENTITLED TO RECOVER ATTORNEYS' FEES AND COSTS AS PROVIDED IN SECTION 8.3 BELOW IN ANY ACTION WITH RESPECT TO THE RETENTION OF THE DEPOSIT BY SELLER AS LIQUIDATED DAMAGES.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 8.2 ABOVE AND BY INITIALING IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

\_\_\_\_\_  
Seller's Initials

  
\_\_\_\_\_  
Buyer's Initials

8.3 **Costs and Attorneys' Fees.** In the event of any litigation or dispute between the Parties arising out of or in any way connected with this Agreement, resulting in any litigation, then the prevailing party in such litigation shall be entitled to recover its reasonable attorneys' fees.

## **ARTICLE 9** **MISCELLANEOUS PROVISIONS**

9.1 **Completeness: Modification.** This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated hereby and supersedes all prior discussions, understandings, agreements and negotiations between the Parties. This Agreement may be modified only by a written instrument duly executed by the Parties.

9.2 **Assignments.** Buyer shall not assign its rights under this Agreement to any Person without the prior written consent of Seller, which consent may be given or withheld in the sole and absolute discretion of Seller. Notwithstanding the foregoing, Buyer may assign its rights under this Agreement without Seller's consent to an Affiliate of Buyer or to any Person in which Buyer holds at least a fifty percent (50%) residual ownership interest and is responsible for the day-to-day management and operation of such Person; provided, however, that notwithstanding such assignment, Buyer shall remain liable for its duties and obligations under this Agreement. After a Closing in which such assignment is made, provided that all obligations relating to the Closing have been satisfied and the transactions contemplated thereby have been consummated, and subject to Section 9.11 hereof, Seller shall consent to release Buyer from any additional obligations post-Closing under this Agreement.

9.3 **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

9.4 **Days.** If any action is required to be performed, or if any notice, consent or other communication is given, on a day that is a Saturday or Sunday or a legal holiday in the jurisdiction in which the action is required to be performed or in which is located the intended recipient of such notice, consent or other communication, such performance shall be deemed to be required, and such notice, consent or other communication shall be deemed to be given, on the first business day following such Saturday, Sunday or legal holiday. Unless otherwise specified herein, all references herein to a "day" or "days" shall refer to calendar days and not business days.

9.5 **Governing Law.** This Agreement and, unless otherwise expressly provided therein, all documents referred to herein shall be governed by and construed and interpreted in accordance with the laws of the State of California.

9.6 **Counterparts.** To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signature on behalf of both Parties hereto appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

9.7 **Severability**. If any term, covenant or condition of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to other Persons or circumstances, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

9.8 **Costs**. Regardless of whether Closing occurs under this Agreement, and except as otherwise expressly provided in this Agreement, each of the Parties shall be responsible for its own costs in connection with this Agreement and the transactions contemplated hereby, including, without limitation, fees of attorneys, consultants, engineers and accountants.

9.9 **Notices**. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be delivered by email, hand, facsimile transmission, by Federal Express (or a comparable overnight delivery service) if prepaid, or by the United States mail, certified, postage prepaid, return receipt requested, at the addresses and with such copies as on the Summary Sheet or to such other address as the intended recipient may have specified in a notice to the other party. Any of the Parties may change its address or designate different or other Persons to receive copies by notifying the other party in a manner described in this Section 9.9. Any notice, request, demand or other communication delivered or sent in the manner aforesaid shall be deemed given or made (as the case may be) when actually delivered to the intended recipient.

9.10 **Incorporation by Reference**. All of the exhibits and schedules attached hereto are by this reference incorporated herein and made a part hereof.

9.11 **Further Assurances**. Seller and Buyer (for themselves and their respective Affiliates) each covenant and agree to sign, execute and deliver, or cause to be signed, executed and delivered, and to do or make, or cause to be done or made, upon the written request of the other party, any and all agreements, instruments, papers, deeds, acts or things, supplemental, confirmatory or otherwise, as may be reasonably required by either of the Parties for the purpose of or in connection with consummating the transactions described herein.

9.12 **No Partnership**. This Agreement does not and shall not be construed to create a partnership, joint venture or any other relationship between the Parties except the relationship of Seller and Buyer specifically established hereby as seller and buyer.

9.13 **Time**. Time is of the essence for this Agreement.

9.14 **1031 Exchanges**: Either Buyer or Seller may seek to effect one or more tax-deferred exchanges in connection with the Transaction (each an "Exchange"). Buyer or Seller (as applicable, the "Accommodating Party") agrees to reasonably cooperate with any Exchange at no cost to the Accommodating Party (which may include executing certain assignment or acknowledgement type documents prepared by the Exchange Accommodator); provided, however, that the Accommodating Party shall not be required to take title to any other property or incur any liability or expense whatsoever in rendering such cooperation; such Exchange shall not delay Closing; and the party effecting such Exchange shall indemnify and hold the Accommodating

Party harmless from and against any liability or expense, including attorneys' fees and cost, in any way relating to such Exchange, including but not limited to any liability or expense as a result of such Exchange being a taxable event.

9.15 **Bankruptcy Court Jurisdiction.** THE PARTIES AGREE THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES AND OTHER MATTERS RELATING TO (i) THE INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT EXECUTED PURSUANT HERETO; AND/OR (ii) THE PROPERTY AND/OR ASSUMED LIABILITIES, AND BUYER EXPRESSLY CONSENTS TO AND AGREES NOT TO CONTEST SUCH EXCLUSIVE JURISDICTION; PROVIDED, THAT IF THE BANKRUPTCY COURT ABSTAINS FROM EXERCISING, OR DECLINES TO EXERCISE JURISDICTION WITH RESPECT TO ANY SUCH ACTION, SUCH ABSTENTION OR REFUSAL SHALL HAVE NO EFFECT UPON, AND SHALL NOT CONTROL, PROHIBIT OR LIMIT THE EXERCISE OF JURISDICTION BY ANY OTHER COURT HAVING COMPETENT JURISDICTION WITH RESPECT TO SUCH ACTION; PROVIDED, FURTHER, THAT THE PARTIES OTHER THAN SELLER EXPRESSLY AGREE THAT ANY DISPUTES BETWEEN SUCH PARTIES MAY BE SUBMITTED TO ANY OTHER COURT OF COMPETENT JURISDICTION IN THE STATE CALIFORNIA; AND PROVIDED, FURTHER, THAT SELLER SUBMITS TO SUCH COURTS WITH RESPECT TO MATTERS THAT DO NOT DIRECTLY RELATE TO THE APPROVAL ORDER, THE MATTERS CONTEMPLATED THEREBY AND THE CASE.

**IN WITNESS WHEREOF**, Seller and Buyer have hereunder affixed their signatures to this Agreement as of December 16, 2019.

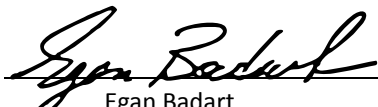
**"BUYER"**

B.H. MANAGEMENT INC.  
a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**"SELLER"**

**PAINTER SANTA, LLC,**  
a California limited liability company

By:  \_\_\_\_\_  
Name: Egan Badart  
Title: Member


Party harmless from and against any liability or expense, including attorneys' fees and cost, in any way relating to such Exchange, including but not limited to any liability or expense as a result of such Exchange being a taxable event.

9.15 **Bankruptcy Court Jurisdiction.** THE PARTIES AGREE THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION OVER ALL DISPUTES AND OTHER MATTERS RELATING TO (i) THE INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT EXECUTED PURSUANT HERETO; AND/OR (ii) THE PROPERTY AND/OR ASSUMED LIABILITIES, AND BUYER EXPRESSLY CONSENTS TO AND AGREES NOT TO CONTEST SUCH EXCLUSIVE JURISDICTION; PROVIDED, THAT IF THE BANKRUPTCY COURT ABSTAINS FROM EXERCISING, OR DECLINES TO EXERCISE JURISDICTION WITH RESPECT TO ANY SUCH ACTION, SUCH ABSTENTION OR REFUSAL SHALL HAVE NO EFFECT UPON, AND SHALL NOT CONTROL, PROHIBIT OR LIMIT THE EXERCISE OF JURISDICTION BY ANY OTHER COURT HAVING COMPETENT JURISDICTION WITH RESPECT TO SUCH ACTION; PROVIDED, FURTHER, THAT THE PARTIES OTHER THAN SELLER EXPRESSLY AGREE THAT ANY DISPUTES BETWEEN SUCH PARTIES MAY BE SUBMITTED TO ANY OTHER COURT OF COMPETENT JURISDICTION IN THE STATE CALIFORNIA; AND PROVIDED, FURTHER, THAT SELLER SUBMITS TO SUCH COURTS WITH RESPECT TO MATTERS THAT DO NOT DIRECTLY RELATE TO THE APPROVAL ORDER, THE MATTERS CONTEMPLATED THEREBY AND THE CASE.

**IN WITNESS WHEREOF**, Seller and Buyer have hereunder affixed their signatures to this Agreement as of December 16, 2019.

**"BUYER"**

B.H. MANAGEMENT INC.  
a California corporation

By:   
Name: Arsalan Gozini  
Its: President

**"SELLER"**

PAINTER SANTA, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION**



LEGAL DESCRIPTION

PARCEL 1:

PARCEL 4 OF PARCEL MAP NO. 25637, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 294 PAGE(S) 1, 2 AND 3 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM OIL AND MINERAL RIGHTS, AS RESERVED BY CHAS W. YOUNG ET AL SUCCESSOR OR ASSIGNEE, IN DEED RECORDED SEPTEMBER 12, 1929 AS INSTRUMENT NO. 1746 IN BOOK 9303 PAGE 220, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM OIL AND MINERAL RIGHTS AS RESERVED BY LEO. D. JACOBY, SUCCESSOR OR ASSIGNEE, IN DEED RECORDED DECEMBER 26, 1929 AS INSTRUMENT NO. 593 IN BOOK 9553, PAGE 341, OFFICIAL RECORDS.

PARCEL 2:

AN EASEMENT FOR A YARD TO PERMIT AN OVERSIZED BUILDING ON THE ADJOINING PROPERTY, WITH INGRESS AND EGRESS FOR THE SOLE PURPOSES OF INSTALLATION AND MAINTENANCE OF UNDERGROUND PUBLIC UTILITIES, TOGETHER WITH THE RIGHT TO INSTALL AND MAINTAIN AN AREA FOR SAID PUBLIC UTILITIES, 10 FEET BY 10 FEET IN THE MOST NORTHERLY PORTION OF THE FOLLOWING DESCRIBED REAL PROPERTY, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA: THAT PORTION OF BANNISTER'S ADDITION TO SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGE(S) 60, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDED WITHIN A STRIP OF LAND 20.00 FEET WIDE, THE EASTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF TELEGRAPH ROAD, DISTANT HEREON SOUTH 89° 59' 54" EAST 499.52 FEET FROM THE SOUTHEAST CORNER OF LOT 23 OF SAID BANNISTER'S ADDITION, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN DEED TO MARTIN E. HULBERT AND WIFE, RECORDED ON JUNE 24, 1930 AS INSTRUMENT NO. 1013 IN BOOK 10025 PAGE(S) 186 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE EASTERLY LINE OF SAID LAND OF HULBERT, NORTH 0° 00' 13" WEST 106.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 0° 00' 13" WEST TO A LINE PARALLEL WITH THE DISTANT NORTHERLY 605 FEET FROM SAID NORTHERLY LINE OF TELEGRAPH ROAD.

THE SIDE LINES OF STRIP SHALL TERMINATE NORTHERLY IN SAID PARALLEL LINE AND SOUTHERLY IN A LINE PARALLEL WITH SAID NORTHERLY LINE OF TELEGRAPH ROAD, WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING.



THE BUILDING AND SAFETY DIVISIONS OF THE LOS ANGELES COUNTY  
ENGINEERS SHALL BE NOTIFIED THIRTY DAYS PRIOR TO ABANDONING  
THIS EASEMENT.

APN No.: 8011-005-033

**EXHIBIT B**  
**BIDDING PROCEDURES**

## **BIDDING PROCEDURES**

Painter Santa LLC (the “**Debtor**”) has entered into an agreement (the “**Agreement**”) to sell its primary asset, an industrial building located at 10329 Painter Avenue, Santa Fe Springs, California (the “**Property**”), to BH Management, Inc., or its nominee (the “**Stalking Horse Purchaser**”), for a cash purchase price of \$8,500,000.00 (the “**Purchase Price**”). The Agreement and sale of the Property will be subject to competitive bidding, as set forth herein, and approval by the Bankruptcy Court of (i) the Debtor's determination of the prevailing bid at an auction, if needed (“**Auction**”) and (ii) pursuant to, among other provisions, sections 105 and 363 of the Bankruptcy Code.

Set forth below are the bidding procedures (“**Bidding Procedures**”) to be employed in connection with the right of the Stalking Horse Purchaser, or another Qualified Bidder (as defined below), to purchase the Property. These Bidding Procedures are intended to maximize the value of the Debtor's interest in the Property to the Debtor's bankruptcy estate (the “**Estate**”).

### **Bidding Procedures and Sale Motion and Hearings**

The Debtor has filed a single motion requesting that the Bankruptcy Court (1) approve the Stalking Horse Purchaser as stalking horse bidder pursuant to terms and conditions set forth in the Agreement, including the payment to the Stalking Horse Purchaser of the Breakup Fee (as defined below) in the event that another Qualified Bidder (as defined below) becomes the Successful Bidder (as defined below), (2) approve these Bidding Procedures, including the stalking horse protections set forth below, (3) schedule the date and time of a final hearing for the Bankruptcy Court to approve the sale to the Successful Bidder as determined by the Debtor (the “**Sale Hearing**”), (4) approve the proposed scheduling of the Auction itself, and (5) following the Sale Hearing, enter an order (the “**Sale Order**”) authorizing and approving: (a) the Agreement and the sale and transfer of Property to the Stalking Horse Purchaser pursuant to the terms and conditions set forth in the Agreement, if no other Qualified Bid (as defined below) is timely received, or (b) a Marked Agreement (as defined below) and the sale and transfer of the Property to the Stalking Horse Purchaser or to some other entity or person, as the case may be, pursuant to the terms and conditions set forth in such Marked Agreement if, consistent with these Bidding Procedures, another Qualified Bid is timely received, and, at the conclusion of the Auction, the Debtor determines in the exercise of its sole business judgment that such Marked Agreement constitutes the highest or otherwise best offer to consummate a sale of the Property (the “**Successful Bid**”). Such motion, as it pertains to items (1)-(4) above, hereafter shall be referred to as the “**Bidding Procedures Motion**” and, as it pertains to item (5) above, as the “**Sale Motion**.” The hearing on the Bidding Procedures Motion hereafter shall be referred to as the “**Bidding Procedures Hearing**.”

### **Participation**

Any person who wishes to participate in the Bidding Process (as defined below) must be a “**Qualified Bidder**.” The Stalking Horse Purchaser is a Qualified Bidder. A “Qualified Bidder” is also a prospective bidder (a) that delivers to the Debtor financials or other evidence of financial wherewithal that demonstrates, to the Debtor's reasonable satisfaction, the prospective bidder's financial capability to fully and timely consummate an acquisition of the Property and (b) that submits a competing bid on substantially the same terms as those set forth in the Agreement that (i) results in the Debtor's receipt of cash consideration payable to the Debtor at closing in an amount that is no less

than \$8,850,000 ("**Minimum Competing Offer**");<sup>1</sup> and (i) whose bid is accompanied by a good faith cash or cash equivalent deposit in the amount of \$885,000 (the "**Good Faith Deposit**").

Each Qualified Bidder must disclose all of its prepetition and postpetition relationships with other bidders, the Debtor, major creditors or equity security holders of the Debtor, or any of the Debtor's members, officers, directors or agents. Only a Qualified Bidder is entitled to bid at the Auction. Each potential bidder, whether a Qualified Bidder or not, and its affiliates or joint venturers, shall be deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters relating to their bids, the Auction and the sale of the Property.

The Debtor shall (i) in its sole discretion determine whether any person is a Qualified Bidder, (ii) receive bids from Qualified Bidders, (iii) negotiate any bid made in connection with a transaction involving the Property, and (iv) conduct an Auction, if necessary (collectively, the "**Bidding Process**"). The Debtor shall have the right to adopt such other rules for the Bidding Process that are not materially inconsistent with any of the provisions of the Agreement, these Bidding Procedures, or any Bankruptcy Court order that, in the Debtor's sole judgment, promote a fair open and competitive Bidding Process.

### **Bid Deadline**

A Qualified Bidder that desires to make a bid shall deliver by mail, hand delivery or email, a written copy of its bid, such that the bid is received by the representatives of the Debtor set forth below by not later than 4:00 pm (prevailing Pacific Time), two (2) business days prior to the Auction (the "**Bid Deadline**"). Such bids shall be delivered to the attention of (i) Zolkin Talerico LLP, 12121 Wilshire Blvd., Suite 1120, Los Angeles, California 90025, Attn: David Zolkin, dzolkin@ztlegal.com ("**ZT**") and (ii) NAI Capital, 21660 E. Copley Dr., #320, Diamond Bar, California 91765, Attn: Ryan Campbell and Scott Martin, rcampbell@naicapital.com and smartin@naicapital.com. Only Qualified Bidders that have submitted Qualified Bids prior to the Bid Deadline (as it may be extended in compliance with these Bidding Procedures) will be entitled to bid at the Auction. The Debtor may extend the Bid Deadline once or successively but is not obligated to do so. If the Debtor extends the Bid Deadline, it shall promptly notify known prospective bidders of the extension. In no event shall the Debtor extend the Bid Deadline later than 5:00 p.m. (prevailing Pacific Time) the day before the Auction.

If no Qualified Bid (other than that of the Stalking Horse Purchaser) has been received by the Debtor by the Bid Deadline, the Stalking Horse Purchaser shall be deemed the Successful Bidder, there will be no Auction and the Debtor will seek approval of the Agreement at the Sale Hearing.

### **Bid Requirements**

A bid is a written irrevocable offer from a Qualified Bidder stating that such Qualified Bidder is prepared to close upon a competing bid (i) upon the terms and conditions substantially in the form set forth in the Agreement, marked to show those amendments and modifications to the Agreement that the Qualified Bidder proposes, in form and substance acceptable to the Debtor, or (ii) on such other terms (other than the terms relating to the Stalking Horse Purchaser's rights to the Breakup Fee) as may be set forth in the bid documents, in form and substance acceptable to the Debtor (in either case, including such amendments and modifications made at the Auction as may be acceptable to the Debtor (the "**Marked Agreement**").

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<sup>1</sup> The Minimum Competing Offer is comprised of an amount equal to (a) the \$8,500,000 Purchase Price, plus (b) the \$200,000 Breakup Fee, plus (c) no less than \$150,000.

A bid (as evidenced by the Marked Agreement and any related documentation) will constitute a Qualified Bid only if such bid:

- a. is for an amount that is no less than the Minimum Competing Offer;
- b. is accompanied by the payment to the Debtor of the Good Faith Deposit;
- c. is not conditioned on any internal approval;
- d. is not subject to financing, diligence or any other conditions that are more burdensome in respect of a closing than those set forth in the Agreement;
- e. is irrevocable through the conclusion of the Auction
- f. does not request or entitle the bidder to any breakup fee, termination fee, expense reimbursement or similar type of payment; and
- g. acknowledges and represents that the bidder (i) has had an opportunity to inspect and examine the Property and (ii) in making its bid, has relied solely on its own independent review, investigation and/or inspection of same, and (iii) did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied or by operation of law or otherwise regarding same, or the completeness of any information provided in connection therewith at the Auction, except as expressly stated in the Marked Agreement or these Bidding Procedures; and fully discloses the identity of each entity that will be bidding otherwise participating in connection with such bidding, and all terms of any such participation that, in the reasonable business judgment of the Debtor, are relevant to such bid.

A bid received from a Qualified Bidder before the Bid Deadline that meets the above requirements shall constitute a "**Qualified Bid**"; provided, however, that the Debtor may (but is not required to) request that a Qualified Bidder amend its bid to address any failure to comply with any of the requirements listed in this paragraph. For purposes hereof, the bid set forth in the Agreement executed by the Stalking Horse Purchaser constitutes a Qualified Bid.

#### **"As Is, Where Is"**

Except as otherwise provided in the Agreement or the Marked Agreement, as the case may be, the sale of the Property shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtor, its agents or its estate, except to the extent expressly set forth in the Agreement or the Marked Agreement, as the case may be. Except as otherwise provided in any Marked Agreement, all of the Debtor's right, title and interest in the Property shall be sold, subject to approval by order of the Bankruptcy Court entered after the Sale Hearing, free and clear all liens, claims, adverse claims of ownership, and other interests, other than those arising under the Agreement (collectively, "**Encumbrances**") in accordance with, among other provisions, sections 105 and 363 of the Bankruptcy Code, with such Encumbrances, if any, to attach to the net proceeds of the sale with the same priority as existed with respect to the Property.

#### **Auction**

If any Qualified Bid (other than the Agreement with the Stalking Horse Purchaser) is received by the Bid Deadline, then the Debtor shall conduct the Auction for the right to become the Successful Bidder. If no Qualified Bid, other than the Agreement with the Stalking Horse Purchaser, is received by the Bid Deadline, then the Debtor will not conduct the Auction and shall designate Stalking Horse Purchaser's bid as the Successful Bid for the purposes of these Bidding Procedures.

At least one (1) business day prior to the date of the Auction, the Debtor shall notify all Qualified Bidders of the Qualified Bid that, as determined in the Debtor's sole discretion constitutes the

highest or otherwise best Qualified Bid (the "**Baseline Bid**"). If there are two or more Qualified Bids that are identical or near identical in their bid amounts and terms, and are such that, absent the competing identical or near identical bid, each such Qualified Bid could be deemed the Baseline Bid, the Debtor, in its sole discretion, shall decide which such Qualified Bid will constitute the Baseline Bid. If the Bid Deadline is extended by the Debtor, then the Debtor shall notify all Qualified Bidders of the Qualified Bid no later than 9:00 p.m. (prevailing Pacific Time) the night before the Auction.

The Auction will commence at 10:00 a.m., prevailing Pacific Time, no more than four (4) business days prior to the Sale Hearing, at the offices of Zolkin Talerico LLC, or such other time or other place as the Debtor shall notify all Qualified Bidders who have submitted Qualified Bids.

Unless otherwise determined by the Debtor, in its sole discretion (i) only the Debtor, the Stalking Horse Purchaser and other Qualified Bidders (and their advisors) who have timely submitted Qualified Bids will be permitted to attend the Auction; (ii) only Qualified Bidders that have submitted Qualified Bids will be eligible to participate in the Auction; (iii) all Qualified Bidders must be present at the Auction, in person or through a qualified representative; and (iv) no Qualified Bidder will be permitted more than five (5) minutes to respond to a previous bid.

Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (a) it has not engaged in any collusion with respect to the Auction or the submission of any bid for the Property and (b) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction is a binding, good-faith and bona fide offer to purchase the Property.

Bidding at Auction will start at the amount of the Baseline Bid. The Debtor shall announce prior to each subsequent round of bidding the minimum incremental overbid, which shall be an amount that is not less than \$50,000; provided, however, that any bidder may bid an amount that exceeds the minimum incremental overbid.

The Debtor, in consultation with its advisors, shall review each Qualified Bid on the basis of its financial and contractual terms and the factors relevant to the transaction process and the best interests of the Debtor's estate, including those factors affecting the speed and certainty of consummating the transactions.

Prior to the conclusion of the Auction, the Debtor, in its sole discretion, will (i) identify the Successful Bid, (ii) identify the next highest or otherwise best offer after the Successful Bid (the "**Next Highest Bid**"), and (iii) notify all Qualified Bidders present at the Auction of the identities of the bidder that submitted the Successful Bid (the "**Successful Bidder**") and the bidder that submitted the Next Highest Bid (the "**Next Highest Bidder**"), and the respective amounts and terms of their bids.

At the Sale Hearing, the Debtor shall present the Successful Bid to the Bankruptcy Court for approval. If the bidder identified by the Debtor as the Next Highest Bidder agrees to maintain its status as a back-up bidder ("**Back-up Bidder**"), then it must agree that its Next Highest Bid will remain irrevocable and subject to acceptance by the Debtor ("**Back-up Bid**"), and the Debtor will retain its Good Faith Deposit, until the earlier of (i) the closing and effectiveness of the transactions contemplated in the Successful Bid, or (ii) three (3) business days following the termination of the Marked Agreement evidencing the Successful Bid. If the bidder initially identified by the Debtor as the Next Highest Bidder does not agree to such terms, then the Debtor, in its sole discretion, may identify the next highest or otherwise best bid as the Next Highest Bid, and may continue to do so until such a bidder who has submitted such a bid agrees to become the Back-up Bidder. The Auction may

be adjourned or rescheduled without notice, other than by an announcement of such adjournment at the Auction.

#### **Acceptance of Successful Bid**

In the event that an Auction is held, the Debtor intends to enter into the sale transaction contemplated by the Agreement or by the Marked Agreement, as applicable, with the Successful Bidder, whether such entity is the Stalking Horse Purchaser or another Qualified Bidder.

The Debtor and the Successful Bidder shall close the transactions contemplated by the Agreement (or the applicable Marked Agreement) in the manner set forth in the Agreement (or the applicable Marked Agreement). In the event that the Successful Bidder fails to close the transactions contemplated in the Agreement (or the applicable Marked Agreement), then the Debtor shall be authorized, but not required, to close with the Back-up Bidder, without notice to any other party or further court order. If the Debtor decides to close with the Back-up Bidder, the Debtor and the Back-up Bidder shall have an additional ten (10) calendar days to close.

#### **Breakup Fee**

If the Stalking Horse Purchaser has not breached its obligations under the Agreement, and is not the Successful Bidder, the Stalking Horse Purchaser, as the stalking horse bidder, will be entitled to a break-up fee in the amount of \$200,000 (“**Breakup Fee**”) to be paid from the proceeds of the sale of the Property to the Successful Bidder upon the closing of such sale. Stalking Horse Purchaser may credit bid the Breakup Fee in an amount equal to the face value of the Breakup Fee on a dollar-for-dollar basis.

#### **Broker’s Commission**

Scott Martin and Ryan Campbell of NAI Capital (“Martin/Campbell”) represent the Stalking Horse Purchaser as its broker in the marketing and sale of the Property. Because the Stalking Horse Purchaser is not represented by a broker, Martin/Campbell serve in the role of “dual broker” in a sale to the Stalking Horse Purchaser, and, pursuant to the terms of its engagement, Martin/Campbell will be entitled to receive from the proceeds of the sale of the Property to the Stalking Horse Purchaser a 4% brokerage commission upon the closing of such sale. Also, if Martin/Campbell represent a Successful Bidder other than the Stalking Horse Purchaser, they similarly will be entitled to the same 4% brokerage commission. If, however, the Successful Bidder approved by the Bankruptcy Court is a bidder other than the Stalking Horse Purchaser or other bidder represented by Martin/Campbell and such bidder is represented by its own broker, the total brokerage commission to be paid from the proceeds of sale upon closing will be 4.5%, to be divided evenly between NAI Capital (Martin/Campbell) and the Successful Bidder’s broker.

#### **Return of Good Faith Deposit**

The Good Faith Deposits of all Qualified Bidders shall be held by the Debtor in one or more escrow accounts or, with respect to that of the Stalking Horse Purchaser, in a manner consistent with the Agreement and these Bidding Procedures but shall not become property of the Debtor's estate absent further order of the Bankruptcy Court.

Good Faith Deposits made by Qualified Bidders, other than those made by the Successful Bidder and any Next Highest Bidder who agrees to maintain its status as the Back-up Bidder, shall be returned to such Qualified Bidder within three (3) business days following the conclusion of the

Auction. If the Successful Bidder, or the Back-up Bidder, as the case may be, timely closes by the closing date set forth in the Agreement or, if applicable, a Marked Agreement, then its Good Faith Deposit and all accrued interest shall be credited towards the amount due at closing under the Agreement or such Marked Agreement. If the Successful Bidder, or the Back-up Bidder, as the case may be, fails to timely close by the closing date set forth in the Agreement or, if applicable, a Marked Agreement, by reason of any failure of performance, breach or default by the Successful Bidder, or the Back-up Bidder, as the case may be, then such Qualified Bidder's Good Faith Deposit will be forfeited to the Debtor and the bankruptcy estate as liquidated damages.

### **Credit Bidding**

The Debtor is indebted to two separate entities on account of loans that are secured by deeds of trust recorded against the Property, Painter, LLC (the "**First Lien Lender**"), and Robhana, Inc. (the "**Second Lien Lender**"; and collectively with the First Lien Lender, the "**Lenders**", and each, individually, a "**Lender**"). A Lender will be entitled to participate in the Bidding Process as long as, subject to the paragraph that immediately follows, (i) it satisfies the requirements for Qualified Bidder status; (ii) its bid satisfies the requirements for a Qualified Bid and (iii) it otherwise complies with and consents to the requirements of these Bidding Procedures.

At Auction, each Lender will be entitled to credit bid the undisputed amount of its secured claim; provided, however, that (i) by no later than (21) twenty-one days prior to the Sale Hearing, Lender (a) discloses to ZT, in writing, the total amount of its secured claim, broken down by principal, interest and late charges (identifying the period covered), attorneys and/or other professionals fees and costs and any other components of the claim and (b) with respect to any attorneys and/or other professionals fees and costs being asserted, delivers to ZT copies of billing statements from the attorneys and other professionals containing sufficient detail to permit the Debtor to assess their reasonableness; (ii) consistent with the Good Faith Deposit provisions in these Bidding Procedures, Lender timely delivers into escrow, in cash, the Good Faith Deposit; and (iii) Lender's bid includes as a cash component an amount sufficient to make up any shortfall between the credit bid portion of its bid and the total amount of its bid.

### **Modifications**

Notwithstanding any other provision herein, the Debtor may extend or alter any deadline contained herein if it will better promote the goals of the Bidding Process. At or before the Auction, the Bankruptcy Court or the Debtor may impose such other terms and conditions as it may determine to be in the best interests of the Debtor's estate, its creditors and other parties in interest.

### **Estimated/Proposed Key Dates and Deadlines**

December 19, 2019	Bidding Procedures Hearing
February 6, 2020	Sale Objection Deadline
February 12, 2020, 4 p.m.	Bid Deadline
February 14, 2020, 10:00 a.m.	Auction
February 18, 2020	Deadline for Debtors to file Notice of Auction Results
February 20, 2020	Sale Hearing
Three business days after date of entry of Final Sale Order	Deadline to consummate approved Sale Transaction



**EXHIBIT C**

**FORM OF GRANT DEED**

Order No.  
Escrow No.  
Loan No.

RECORDING REQUESTED BY AND MAIL  
TAX STATEMENTS TO:

**B.H. Management Inc.**  
**c/o B.H. Properties**  
**11111 Santa Monica Boulevard, Suite 600**  
**Los Angeles, California 90025**  
**Attn: Steve Gozni and Andrew Van Tuyle**

*[SPACE ABOVE THIS LINE FOR RECORDER'S USE]*

The undersigned grantor(s) declare(s):

DOCUMENTARY TRANSFER TAX IS \$ \_\_\_\_\_

.....Computed on full value of property conveyed, or

.....Computed on full value less value of liens and encumbrances remaining at time of sale.

.....Unincorporated area: (x) City of Rancho Cucamonga

## GRANT DEED

APN NO.: 8011-005-033

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**PAINTER SANTA, LLC, a California limited liability company,**

hereby GRANTS to

**B.H. MANAGEMENT INC., a California corporation**

the following described real property in the City of **Santa Fe Springs**, County of **Los Angeles**, State of California.

**SEE ATTACHED LEGAL DESCRIPTION AS EXHIBIT "A" ATTACHED HERETO.**

Dated: \_\_\_\_\_

PAINTER SANTA, LLC, a California limited liability  
company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_,  
*Date (Here Insert Name and Title of the Officer)*

personally appeared \_\_\_\_\_  
*Name(s) of Signer(s)*

\_\_\_\_\_ ,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
*Signature of Notary Public*

*Place Notary Seal Above*

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

**PARCEL 1:**

PARCEL 4 OF PARCEL MAP NO. 25637, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 294 PAGE(S) 1, 2 AND 3 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM OIL AND MINERAL RIGHTS, AS RESERVED BY CHAS W. YOUNG ET AL SUCCESSOR OR ASSIGNEE, IN DEED RECORDED SEPTEMBER 12, 1929 AS INSTRUMENT NO. 1746 IN BOOK 9303 PAGE 220, OFFICIAL RECORDS.

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**PARCEL 2:**

AN EASEMENT FOR A YARD TO PERMIT AN OVERSIZED BUILDING ON THE ADJOINING PROPERTY, WITH INGRESS AND EGRESS FOR THE SOLE PURPOSES OF INSTALLATION AND MAINTENANCE OF UNDERGROUND PUBLIC UTILITIES, TOGETHER WITH THE RIGHT TO INSTALL AND MAINTAIN AN AREA FOR SAID PUBLIC UTILITIES, 10 FEET BY 10 FEET IN THE MOST NORTHERLY PORTION OF THE FOLLOWING DESCRIBED REAL PROPERTY, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA: THAT PORTION OF BANNISTER'S ADDITION TO SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGE(S) 60, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDED WITHIN A STRIP OF LAND 20.00 FEET WIDE, THE EASTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF TELEGRAPH ROAD, DISTANT HEREON SOUTH 89° 59' 54" EAST 499.52 FEET FROM THE SOUTHEAST CORNER OF LOT 23 OF SAID BANNISTER'S ADDITION, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN DEED TO MARTIN E. HULBERT AND WIFE, RECORDED ON JUNE 24, 1930 AS INSTRUMENT NO. 1013 IN BOOK 10025

PAGE(S) 186 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE EASTERLY LINE OF SAID LAND OF HULBERT, NORTH 0° 00' 13" WEST 106.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 0° 00' 13" WEST TO A LINE PARALLEL WITH THE DISTANT NORTHERLY 605 FEET FROM SAID NORTHERLY LINE OF TELEGRAPH ROAD.

THE SIDE LINES OF STRIP SHALL TERMINATE NORTHERLY IN SAID PARALLEL LINE AND SOUTHERLY IN A LINE PARALLEL WITH SAID NORTHERLY LINE OF TELEGRAPH ROAD, WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING.

THE BUILDING AND SAFETY DIVISIONS OF THE LOS ANGELES COUNTY ENGINEERS SHALL BE NOTIFIED THIRTY DAYS PRIOR TO ABANDONING THIS EASEMENT.

EXHIBIT "A"

**EXHIBIT D**

**FORM OF BILL OF SALE**



**BILL OF SALE**

KNOW ALL PERSONS BY THESE PRESENTS:

THAT PAINTER SANTA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (“Grantor”), for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, has GRANTED, SOLD, ASSIGNED, TRANSFERRED, CONVEYED and DELIVERED and does by these presents GRANT, SELL, ASSIGN, TRANSFER, CONVEY and DELIVER unto B.H. MANAGEMENT, INC., a California corporation (“Grantee”), all of Grantor’s right, title and interest, if any, in, to and under all personal property pertaining exclusively to the Property (as defined below) and owned by Grantor and expressly excluding the personal property set forth on Exhibit A attached hereto (collectively, the “Personal Property”). As used herein, the “Property” shall mean that certain real property located in Santa Fe Springs, California and more particularly described on Exhibit B attached hereto and incorporated herein, and any improvements located thereon.

TO HAVE AND TO HOLD the Personal Property unto Grantee and Grantee’s successors, legal representatives and assigns, forever.

All of the covenants, terms and conditions set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

This Bill of Sale is made on an “as is where is” basis without any covenant, representation or warranty (express or implied) by, or recourse against, Grantor or its successors and assigns, of any kind whatsoever.

This Bill of Sale is dated December\_\_, 2019.

[Signature Page Follows]

**IN WITNESS WHEREOF**, Grantor has duly executed and delivered this Bill of Sale as of the date first written above.

**GRANTOR:**

PAINTER SANTA, LLC, A CALIFORNIA  
LIMITED LIABILITY COMPANY

By: \_\_\_\_\_  
Name:  
Title:

[PAINTER SANTA - BILL OF SALE]

**EXHIBIT A**

**Excluded Personal Property**

Personal property located at, but not affixed to, the Property, that is owned by one or more of the Goodness Parties and in which Seller has no interest

**EXHIBIT B**

**Property Legal Description**

**LEGAL DESCRIPTION**

**PARCEL 1:**

PARCEL 4 OF PARCEL MAP NO. 25637, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 294 PAGE(S) 1, 2 AND 3 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM OIL AND MINERAL RIGHTS, AS RESERVED BY CHAS W. YOUNG ET AL SUCCESSOR OR ASSIGNEE, IN DEED RECORDED SEPTEMBER 12, 1929 AS INSTRUMENT NO. 1746 IN BOOK 9303 PAGE 220, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM OIL AND MINERAL RIGHTS AS RESERVED BY LEO. D. JACOBY, SUCCESSOR OR ASSIGNEE, IN DEED RECORDED DECEMBER 26, 1929 AS INSTRUMENT NO. 593 IN BOOK 9553, PAGE 341, OFFICIAL RECORDS.

**PARCEL 2:**

AN EASEMENT FOR A YARD TO PERMIT AN OVERSIZED BUILDING ON THE ADJOINING PROPERTY, WITH INGRESS AND EGRESS FOR THE SOLE PURPOSES OF INSTALLATION AND MAINTENANCE OF UNDERGROUND PUBLIC UTILITIES, TOGETHER WITH THE RIGHT TO INSTALL AND MAINTAIN AN AREA FOR SAID PUBLIC UTILITIES, 10 FEET BY 10 FEET IN THE MOST NORTHERLY PORTION OF THE FOLLOWING DESCRIBED REAL PROPERTY, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA: THAT PORTION OF BANNISTER'S ADDITION TO SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGE(S) 60, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDED WITHIN A STRIP OF LAND 20.00 FEET WIDE, THE EASTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

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DISTANT NORTHERLY 605 FEET FROM SAID NORTHERLY LINE OF TELEGRAPH ROAD.

THE SIDE LINES OF STRIP SHALL TERMINATE NORTHERLY IN SAID PARALLEL LINE AND SOUTHERLY IN A LINE PARALLEL WITH SAID NORTHERLY LINE OF TELEGRAPH ROAD, WHICH PASSES THROUGH THE TRUE POINT OF BEGINNING.

THE BUILDING AND SAFETY DIVISIONS OF THE LOS ANGELES COUNTY ENGINEERS SHALL BE NOTIFIED THIRTY DAYS PRIOR TO ABANDONING THIS EASEMENT.

APN No.: 8011-005-033

**PAINTER SANTA, LLC**  
**BID PROCEDURES**

## **BIDDING PROCEDURES**

Painter Santa LLC (the “**Debtor**”) has entered into an agreement (the “**Agreement**”) to sell its primary asset, an industrial building located at 10329 Painter Avenue, Santa Fe Springs, California (the “**Property**”), to BH Management, Inc., or its nominee (the “**Stalking Horse Purchaser**”), for a cash purchase price of \$8,500,000.00 (the “**Purchase Price**”). The Agreement and sale of the Property will be subject to competitive bidding, as set forth herein, and approval by the Bankruptcy Court of (i) the Debtor's determination of the prevailing bid at an auction, if needed (“**Auction**”) and (ii) pursuant to, among other provisions, sections 105 and 363 of the Bankruptcy Code.

Set forth below are the bidding procedures (“**Bidding Procedures**”) to be employed in connection with the right of the Stalking Horse Purchaser, or another Qualified Bidder (as defined below), to purchase the Property. These Bidding Procedures are intended to maximize the value of the Debtor's interest in the Property to the Debtor's bankruptcy estate (the “**Estate**”).

### **Bidding Procedures and Sale Motion and Hearings**

The Debtor has filed a single motion requesting that the Bankruptcy Court (1) approve the Stalking Horse Purchaser as stalking horse bidder pursuant to terms and conditions set forth in the Agreement, including the payment to the Stalking Horse Purchaser of the Breakup Fee (as defined below) in the event that another Qualified Bidder (as defined below) becomes the Successful Bidder (as defined below), (2) approve these Bidding Procedures, including the stalking horse protections set forth below, (3) schedule the date and time of a final hearing for the Bankruptcy Court to approve the sale to the Successful Bidder as determined by the Debtor (the “**Sale Hearing**”), (4) approve the proposed scheduling of the Auction itself, and (5) following the Sale Hearing, enter an order (the “**Sale Order**”) authorizing and approving: (a) the Agreement and the sale and transfer of Property to the Stalking Horse Purchaser pursuant to the terms and conditions set forth in the Agreement, if no other Qualified Bid (as defined below) is timely received, or (b) a Marked Agreement (as defined below) and the sale and transfer of the Property to the Stalking Horse Purchaser or to some other entity or person, as the case may be, pursuant to the terms and conditions set forth in such Marked Agreement if, consistent with these Bidding Procedures, another Qualified Bid is timely received, and, at the conclusion of the Auction, the Debtor determines in the exercise of its sole business judgment that such Marked Agreement constitutes the highest or otherwise best offer to consummate a sale of the Property (the “**Successful Bid**”). Such motion, as it pertains to items (1)-(4) above, hereafter shall be referred to as the “**Bidding Procedures Motion**” and, as it pertains to item (5) above, as the “**Sale Motion**.” The hearing on the Bidding Procedures Motion hereafter shall be referred to as the “**Bidding Procedures Hearing**.”

### **Participation**

Any person who wishes to participate in the Bidding Process (as defined below) must be a “**Qualified Bidder**.” The Stalking Horse Purchaser is a Qualified Bidder. A “Qualified Bidder” is also a prospective bidder (a) that delivers to the Debtor financials or other evidence of financial wherewithal that demonstrates, to the Debtor's reasonable satisfaction, the prospective bidder's financial capability to fully and timely consummate an acquisition of the Property and (b) that submits a competing bid on substantially the same terms as those set forth in the Agreement that (i) results in the Debtor's receipt of cash consideration payable to the Debtor at closing in an amount that is no less than \$8,850,000



("Minimum Competing Offer");<sup>1</sup> and (i) whose bid is accompanied by a good faith cash or cash equivalent deposit in the amount of \$885,000 (the "**Good Faith Deposit**").

Each Qualified Bidder must disclose all of its prepetition and postpetition relationships with other bidders, the Debtor, major creditors or equity security holders of the Debtor, or any of the Debtor's members, officers, directors or agents. Only a Qualified Bidder is entitled to bid at the Auction. Each potential bidder, whether a Qualified Bidder or not, and its affiliates or joint venturers, shall be deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters relating to their bids, the Auction and the sale of the Property.

The Debtor shall (i) in its sole discretion determine whether any person is a Qualified Bidder, (ii) receive bids from Qualified Bidders, (iii) negotiate any bid made in connection with a transaction involving the Property, and (iv) conduct an Auction, if necessary (collectively, the "**Bidding Process**"). The Debtor shall have the right to adopt such other rules for the Bidding Process that are not materially inconsistent with any of the provisions of the Agreement, these Bidding Procedures, or any Bankruptcy Court order that, in the Debtor's sole judgment, promote a fair open and competitive Bidding Process.

### **Bid Deadline**

A Qualified Bidder that desires to make a bid shall deliver by mail, hand delivery or email, a written copy of its bid, such that the bid is received by the representatives of the Debtor set forth below by not later than 4:00 pm (prevailing Pacific Time), two (2) business days prior to the Auction (the "**Bid Deadline**"). Such bids shall be delivered to the attention of (i) Zolkin Talerico LLP, 12121 Wilshire Blvd., Suite 1120, Los Angeles, California 90025, Attn: David Zolkin, dzolkin@ztlegal.com ("**ZT**") and (ii) NAI Capital, 21660 E. Copley Dr., #320, Diamond Bar, California 91765, Attn: Ryan Campbell and Scott Martin, rcampbell@naicapital.com and smartin@naicapital.com. Only Qualified Bidders that have submitted Qualified Bids prior to the Bid Deadline (as it may be extended in compliance with these Bidding Procedures) will be entitled to bid at the Auction. The Debtor may extend the Bid Deadline once or successively but is not obligated to do so. If the Debtor extends the Bid Deadline, it shall promptly notify known prospective bidders of the extension. In no event shall the Debtor extend the Bid Deadline later than 5:00 p.m. (prevailing Pacific Time) the day before the Auction.

If no Qualified Bid (other than that of the Stalking Horse Purchaser) has been received by the Debtor by the Bid Deadline, the Stalking Horse Purchaser shall be deemed the Successful Bidder, there will be no Auction and the Debtor will seek approval of the Agreement at the Sale Hearing.

### **Bid Requirements**

A bid is a written irrevocable offer from a Qualified Bidder stating that such Qualified Bidder is prepared to close upon a competing bid (i) upon the terms and conditions substantially in the form set forth in the Agreement, marked to show those amendments and modifications to the Agreement that the Qualified Bidder proposes, in form and substance acceptable to the Debtor, or (ii) on such other terms (other than the terms relating to the Stalking Horse Purchaser's rights to the Breakup Fee) as may be set forth in the bid documents, in form and substance acceptable to the Debtor (in either case, including such amendments and modifications made at the Auction as may be acceptable to the Debtor (the "**Marked Agreement**").

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<sup>1</sup> The Minimum Competing Offer is comprised of an amount equal to (a) the \$8,500,000 Purchase Price, plus (b) the \$200,000 Breakup Fee, plus (c) no less than \$150,000.

A bid (as evidenced by the Marked Agreement and any related documentation) will constitute a Qualified Bid only if such bid:

- a. is for an amount that is no less than the Minimum Competing Offer;
- b. is accompanied by the payment to the Debtor of the Good Faith Deposit;
- c. is not conditioned on any internal approval;
- d. is not subject to financing, diligence or any other conditions that are more burdensome in respect of a closing than those set forth in the Agreement;
- e. is irrevocable through the conclusion of the Auction
- f. does not request or entitle the bidder to any breakup fee, termination fee, expense reimbursement or similar type of payment; and
- g. acknowledges and represents that the bidder (i) has had an opportunity to inspect and examine the Property and (ii) in making its bid, has relied solely on its own independent review, investigation and/or inspection of same, and (iii) did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied or by operation of law or otherwise regarding same, or the completeness of any information provided in connection therewith at the Auction, except as expressly stated in the Marked Agreement or these Bidding Procedures; and fully discloses the identity of each entity that will be bidding otherwise participating in connection with such bidding, and all terms of any such participation that, in the reasonable business judgment of the Debtor, are relevant to such bid.

A bid received from a Qualified Bidder before the Bid Deadline that meets the above requirements shall constitute a "**Qualified Bid**"; provided, however, that the Debtor may (but is not required to) request that a Qualified Bidder amend its bid to address any failure to comply with any of the requirements listed in this paragraph. For purposes hereof, the bid set forth in the Agreement executed by the Stalking Horse Purchaser constitutes a Qualified Bid.

#### **"As Is, Where Is"**

Except as otherwise provided in the Agreement or the Marked Agreement, as the case may be, the sale of the Property shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtor, its agents or its estate, except to the extent expressly set forth in the Agreement or the Marked Agreement, as the case may be. Except as otherwise provided in any Marked Agreement, all of the Debtor's right, title and interest in the Property shall be sold, subject to approval by order of the Bankruptcy Court entered after the Sale Hearing, free and clear all liens, claims, adverse claims of ownership, and other interests, other than those arising under the Agreement (collectively, "**Encumbrances**") in accordance with, among other provisions, sections 105 and 363 of the Bankruptcy Code, with such Encumbrances, if any, to attach to the net proceeds of the sale with the same priority as existed with respect to the Property.

#### **Auction**

If any Qualified Bid (other than the Agreement with the Stalking Horse Purchaser) is received by the Bid Deadline, then the Debtor shall conduct the Auction for the right to become the Successful Bidder. If no Qualified Bid, other than the Agreement with the Stalking Horse Purchaser, is received by the Bid Deadline, then the Debtor will not conduct the Auction and shall designate Stalking Horse Purchaser's bid as the Successful Bid for the purposes of these Bidding Procedures.

At least one (1) business day prior to the date of the Auction, the Debtor shall notify all Qualified Bidders of the Qualified Bid that, as determined in the Debtor's sole discretion constitutes the highest or

otherwise best Qualified Bid (the "**Baseline Bid**"). If there are two or more Qualified Bids that are identical or near identical in their bid amounts and terms, and are such that, absent the competing identical or near identical bid, each such Qualified Bid could be deemed the Baseline Bid, the Debtor, in its sole discretion, shall decide which such Qualified Bid will constitute the Baseline Bid. If the Bid Deadline is extended by the Debtor, then the Debtor shall notify all Qualified Bidders of the Qualified Bid no later than 9:00 p.m. (prevailing Pacific Time) the night before the Auction.

The Auction will commence at 10:00 a.m., prevailing Pacific Time, no more than four (4) business days prior to the Sale Hearing, at the offices of Zolkin Talerico LLC, or such other time or other place as the Debtor shall notify all Qualified Bidders who have submitted Qualified Bids.

Unless otherwise determined by the Debtor, in its sole discretion (i) only the Debtor, the Stalking Horse Purchaser and other Qualified Bidders (and their advisors) who have timely submitted Qualified Bids will be permitted to attend the Auction; (ii) only Qualified Bidders that have submitted Qualified Bids will be eligible to participate in the Auction; (iii) all Qualified Bidders must be present at the Auction, in person or through a qualified representative; and (iv) no Qualified Bidder will be permitted more than five (5) minutes to respond to a previous bid.

Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (a) it has not engaged in any collusion with respect to the Auction or the submission of any bid for the Property and (b) its Qualified Bid that gained the Qualified Bidder admission to participate in the Auction and each Qualified Bid submitted by the Qualified Bidder at the Auction is a binding, good-faith and bona fide offer to purchase the Property.

Bidding at Auction will start at the amount of the Baseline Bid. The Debtor shall announce prior to each subsequent round of bidding the minimum incremental overbid, which shall be an amount that is not less than \$50,000; provided, however, that any bidder may bid an amount that exceeds the minimum incremental overbid.

The Debtor, in consultation with its advisors, shall review each Qualified Bid on the basis of its financial and contractual terms and the factors relevant to the transaction process and the best interests of the Debtor's estate, including those factors affecting the speed and certainty of consummating the transactions.

Prior to the conclusion of the Auction, the Debtor, in its sole discretion, will (i) identify the Successful Bid, (ii) identify the next highest or otherwise best offer after the Successful Bid (the "**Next Highest Bid**"), and (iii) notify all Qualified Bidders present at the Auction of the identities of the bidder that submitted the Successful Bid (the "**Successful Bidder**") and the bidder that submitted the Next Highest Bid (the "**Next Highest Bidder**"), and the respective amounts and terms of their bids.

At the Sale Hearing, the Debtor shall present the Successful Bid to the Bankruptcy Court for approval. If the bidder identified by the Debtor as the Next Highest Bidder agrees to maintain its status as a back-up bidder ("**Back-up Bidder**"), then it must agree that its Next Highest Bid will remain irrevocable and subject to acceptance by the Debtor ("**Back-up Bid**"), and the Debtor will retain its Good Faith Deposit, until the earlier of (i) the closing and effectiveness of the transactions contemplated in the Successful Bid, or (ii) three (3) business days following the termination of the Marked Agreement evidencing the Successful Bid. If the bidder initially identified by the Debtor as the Next Highest Bidder does not agree to such terms, then the Debtor, in its sole discretion, may identify the next highest or otherwise best bid as the Next Highest Bid, and may continue to do so until such a bidder who has submitted such a bid agrees to become the Back-up Bidder. The Auction may be adjourned or rescheduled without notice, other than by an announcement of such adjournment at the Auction.

### **Acceptance of Successful Bid**

In the event that an Auction is held, the Debtor intends to enter into the sale transaction contemplated by the Agreement or by the Marked Agreement, as applicable, with the Successful Bidder, whether such entity is the Stalking Horse Purchaser or another Qualified Bidder.

The Debtor and the Successful Bidder shall close the transactions contemplated by the Agreement (or the applicable Marked Agreement) in the manner set forth in the Agreement (or the applicable Marked Agreement). In the event that the Successful Bidder fails to close the transactions contemplated in the Agreement (or the applicable Marked Agreement), then the Debtor shall be authorized, but not required, to close with the Back-up Bidder, without notice to any other party or further court order. If the Debtor decides to close with the Back-up Bidder, the Debtor and the Back-up Bidder shall have an additional ten (10) calendar days to close.

### **Breakup Fee**

If the Stalking Horse Purchaser has not breached its obligations under the Agreement, and is not the Successful Bidder, the Stalking Horse Purchaser, as the stalking horse bidder, will be entitled to a break-up fee in the amount of \$200,000 (“**Breakup Fee**”) to be paid from the proceeds of the sale of the Property to the Successful Bidder upon the closing of such sale. Stalking Horse Purchaser may credit bid the Breakup Fee in an amount equal to the face value of the Breakup Fee on a dollar-for-dollar basis.

### **Broker’s Commission**

Scott Martin and Ryan Campbell of NAI Capital (“Martin/Campbell”) represent the Stalking Horse Purchaser as its broker in the marketing and sale of the Property. Because the Stalking Horse Purchaser is not represented by a broker, Martin/Campbell serve in the role of “dual broker” in a sale to the Stalking Horse Purchaser, and, pursuant to the terms of its engagement, Martin/Campbell will be entitled to receive from the proceeds of the sale of the Property to the Stalking Horse Purchaser a 4% brokerage commission upon the closing of such sale. Also, if Martin/Campbell represent a Successful Bidder other than the Stalking Horse Purchaser, they similarly will be entitled to the same 4% brokerage commission. If, however, the Successful Bidder approved by the Bankruptcy Court is a bidder other than the Stalking Horse Purchaser or other bidder represented by Martin/Campbell and such bidder is represented by its own broker, the total brokerage commission to be paid from the proceeds of sale upon closing will be 4.5%, to be divided evenly between NAI Capital (Martin/Campbell) and the Successful Bidder’s broker.

### **Return of Good Faith Deposit**

The Good Faith Deposits of all Qualified Bidders shall be held by the Debtor in one or more escrow accounts or, with respect to that of the Stalking Horse Purchaser, in a manner consistent with the Agreement and these Bidding Procedures but shall not become property of the Debtor's estate absent further order of the Bankruptcy Court.

Good Faith Deposits made by Qualified Bidders, other than those made by the Successful Bidder and any Next Highest Bidder who agrees to maintain its status as the Back-up Bidder, shall be returned to such Qualified Bidder within three (3) business days following the conclusion of the Auction. If the Successful Bidder, or the Back-up Bidder, as the case may be, timely closes by the closing date set forth in the Agreement or, if applicable, a Marked Agreement, then its Good Faith Deposit and all accrued interest shall be credited towards the amount due at closing under the Agreement or such Marked Agreement. If the Successful Bidder, or the Back-up Bidder, as the case may be, fails to timely close by

the closing date set forth in the Agreement or, if applicable, a Marked Agreement, by reason of any failure of performance, breach or default by the Successful Bidder, or the Back-up Bidder, as the case may be, then such Qualified Bidder's Good Faith Deposit will be forfeited to the Debtor and the bankruptcy estate as liquidated damages.

### **Credit Bidding**

The Debtor is indebted to two separate entities on account of loans that are secured by deeds of trust recorded against the Property, Painter, LLC (the "**First Lien Lender**"), and Robhana, Inc. (the "**Second Lien Lender**"; and collectively with the First Lien Lender, the "**Lenders**", and each, individually, a "**Lender**"). A Lender will be entitled to participate in the Bidding Process as long as, subject to the paragraph that immediately follows, (i) it satisfies the requirements for Qualified Bidder status; (ii) its bid satisfies the requirements for a Qualified Bid and (iii) it otherwise complies with and consents to the requirements of these Bidding Procedures.

At Auction, each Lender will be entitled to credit bid the undisputed amount of its secured claim; provided, however, that (i) by no later than (21) twenty-one days prior to the Sale Hearing, Lender (a) discloses to ZT, in writing, the total amount of its secured claim, broken down by principal, interest and late charges (identifying the period covered), attorneys and/or other professionals fees and costs and any other components of the claim and (b) with respect to any attorneys and/or other professionals fees and costs being asserted, delivers to ZT copies of billing statements from the attorneys and other professionals containing sufficient detail to permit the Debtor to assess their reasonableness; (ii) consistent with the Good Faith Deposit provisions in these Bidding Procedures, Lender timely delivers into escrow, in cash, the Good Faith Deposit; and (iii) Lender's bid includes as a cash component an amount sufficient to make up any shortfall between the credit bid portion of its bid and the total amount of its bid.

### **Modifications**

Notwithstanding any other provision herein, the Debtor may extend or alter any deadline contained herein if it will better promote the goals of the Bidding Process. At or before the Auction, the Bankruptcy Court or the Debtor may impose such other terms and conditions as it may determine to be in the best interests of the Debtor's estate, its creditors and other parties in interest.

### **Key Dates and Deadlines**

December 19, 2019	Bidding Procedures Hearing
<b>February 6, 2020</b>	Sale Objection Deadline
<b>February 12, 2020, 4 p.m.</b>	Bid Deadline
<b>February 14, 2020, 10:00 a.m.</b>	Auction
<b>February 18, 2020</b>	Deadline for Debtors to file Notice of Auction Results
<b>February 20, 2020, 10:00 a.m</b>	Sale Hearing
Three business days after date of entry of Final Sale Order	Deadline to consummate approved Sale Transaction